

Agricultural Outlook

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Economics, Statistics, and
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Outlook in Brief

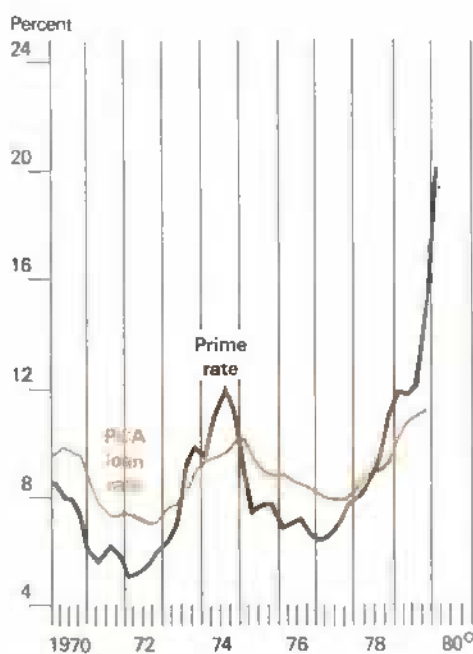
Agricultural credit is becoming costlier and harder to get. The situation will be worse this year than in recent periods of tight money, in part because of the growing interdependence between agricultural and nonagricultural banks. In most regions, the amount of credit available should be adequate for financing current farm operations; however, credit for machinery and equipment and for speculative purposes—particularly for land—will be scarce. Record interest rates are slowing farm real estate activity in general.

The outlook for farm income in 1980 has weakened somewhat since last month. Farm production costs will be forced upward by the sharply higher interest rates. An increase in the inventory of market hogs on farms will maintain downward pressure on hog prices and, coupled with sluggish demand prospects, may hold total 1980 livestock receipts to \$68 billion—up only 2 percent from 1979.

Retail food prices, as measured by the Consumer Price Index (CPI-U), rose 0.5 percent from January to February—an annual rate of 6.2 percent. This was substantially below the annual rate of increase in nonfood prices, which reached 21 percent in February. The farm-to-retail price spread declined 0.6 percent in February, while the farm value of the market basket rose 0.8 percent and prices for fish and imported food jumped 1.8 percent.

In the first quarter of 1980, higher energy prices took their toll on food processing and distribution costs, providing the main impetus to food price increases. Higher marketing costs will remain a major factor behind rising food prices throughout most of 1980; however, if the inflation rate moderates in the second half of the year as expected, marketing costs will rise more slowly.

Production Credit Association Loan Rate Lags Prime Rate



○ April 3, 1980. Source: Federal Reserve System.

Farm food values are expected to contribute more to retail food price increases in the second and third quarters. The supply of fed cattle will be tight, and hog slaughter will decline seasonally during the summer. As a result, prices for meat animals will begin to increase.

The heavy rains in California and early-March freeze in Florida will have only a minor short-term impact on spring vegetable production. Supplies of spring vegetables appear to be ample, and grower prices are averaging below year-earlier levels. The Florida freeze also affected this year's orange and strawberry crop—although the damage was minor. The first pick of California strawberries, however, was lost due to the rains.

World grain production (coarse grains, wheat, and milled rice) for the 1979/80 crop year is now estimated at 1.4 billion tons—down more than 3 percent from last season's record. Production reached a record 297 million tons in the U.S., but declined 7 percent elsewhere. Consequently, American farmers are experiencing a year of record grain exports despite a cutback in sales to the Soviet Union.

Southern Hemisphere crops are now being harvested, with total grain production likely to be near last year's 89 million tons. A record soybean harvest in Brazil is contributing to downward pressure on prices for soybeans and products.

As the 1979/80 production year draws to a close, markets will become more sensitive to prospects for the 1980/81 harvests. Currently, prospects are generally good for 1980 winter grain crops in the Northern Hemisphere, with some question about the Indian and Chinese winter wheat crops. World production is expected to be larger next season, particularly if Soviet production recovers.

Economic growth will be slowing throughout the world in 1980. The developed countries are all anticipating lower growth rates, with the United Kingdom and the United States likely to experience negative growth. The developing countries will also have slower growth rates; oil-importing developing nations will be caught in a severe squeeze as their exports lag behind the rising cost of petroleum imports.



General Economy

In response to the heightened inflation rate of the first 2 months of 1980, the Administration recently announced a new program of fiscal and monetary restraint to cool down the economy through 1981.

The high inflation rate is expected to persist through the first half of 1980 before moderating somewhat in the second half. The unemployment rate is forecast to rise gradually through 1980 and remain around 7.0 to 7.5 percent through 1981. The general economic outlook still includes a mild recession in 1980, followed by slow growth in 1981.

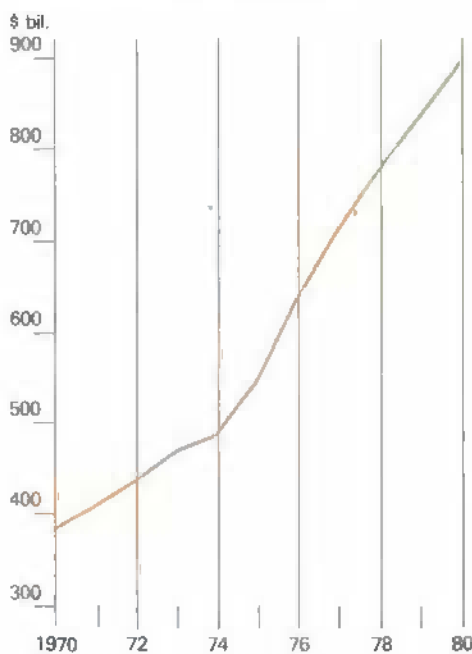
The Anti-Inflation Program

The new fiscal policy centers on achieving a balanced budget for 1981. The President's proposals call for a spending cut, increased revenues, and a freeze on Federal civilian employment. A conservation fee of \$4.62 per barrel will be imposed on imported oil; this fee will raise retail gasoline prices by about 10 cents a gallon.

Credit controls proposed by the Administration are intended to limit the growth of bank loans and consumer credit, but they will not be extended to the housing and auto industries, which are already experiencing a substantial downturn. A 15-percent reserve requirement will be imposed against increases of credit card balances and other unsecured consumer loans. The plan also institutes a 15-percent reserve requirement on any increased assets of money market funds.

In addition to the Administration's proposed fiscal and monetary restraint, the Federal Reserve Board announced that the discount rate (interest rate charged member banks when borrowing from the Fed) will be raised from 13 to 16 percent for member banks that borrow from the Fed more than twice in a 2-week period or more than four times in a given quarter. The Federal Reserve Board has also instituted a voluntary program aimed at restraining bank loan expansion to a 6-to 9-percent range. In 1979, bank loans grew 16.7 percent.

Federal Debt Continues to Increase



Fiscal year ending in year shown. 1980 estimated from Budget of the United States Government, FY 1981.

Voluntary Programs

The Administration reaffirmed its opposition to formal wage and price controls. The voluntary standard for pay increases—formerly 7 percent—was raised to a range of 7.5 to 9.5 percent. Large firms that agree to wage settlements over 8.5 percent will be asked to report to the Council on Wage and Price Stability (COWPS) with supporting information.

Price standards remain unchanged, but the threshold determining which companies must regularly report price changes to COWPS has been lowered from \$250 million in annual sales to \$100 million. COWPS will have an increased staff to monitor wage and price increases.

Long-Run Measures

In addition to the program of fiscal and monetary restraint, the Administration proposes legislative measures to stimulate competition and increase savings, investment, and productivity. These measures include the Regulatory Reform Act, which will provide comprehensive legislation to deregulate the banking, trucking, railroad, and communications industries; and the Financial Institutions Reform Act, which would gradually lift the ceilings limiting returns on time-deposit savings accounts. The first \$400 to \$500 of interest income may become tax-exempt for 1980.

Supply-side tax cuts are another long-run approach to stimulating investment and productivity. Possible options include an accelerated depreciation allowance, cost-of-replacement depreciation accounting, direct tax credits for expanding plant and equipment investment, and reduced tax rates for corporate and other business income. However, the White House indicated that supply-side tax cuts would likely be postponed until the budget is brought into balance and sufficient resources become available for investment expansion.

Financial Markets Tighten

Conditions in financial markets are approaching those of the 1974 squeeze, which was largely confined to the mortgage market. However, nonmortgage money is still available for those willing to explore diverse sources and pay high rates.

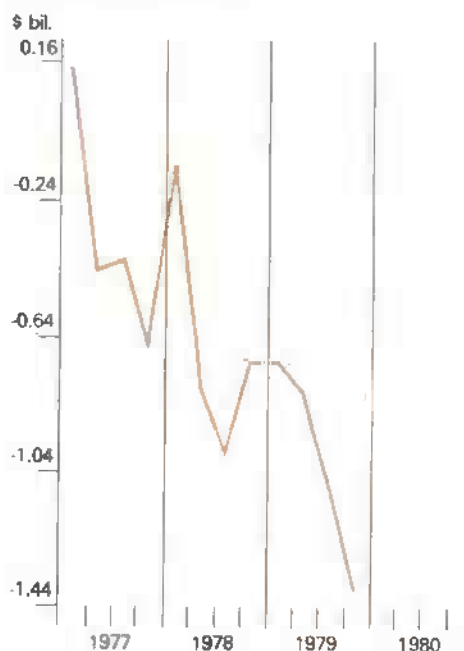
Extreme credit shortages in the past were caused largely by institutional constraints such as interest rate ceilings, which made money unavailable to certain sectors of the economy. Many of these bottlenecks have been eliminated so that markets can now ration credit through high interest rates.

Savings and loan associations are experiencing reduced deposit inflows, with scattered cases of net outflows into higher yielding money market mutual funds. In the past year, assets of money market funds have increased roughly fourfold, reducing the amount of money available for mortgage commitments.

When credit conditions tighten, private non-mortgage lending drops. However, credit tightening does not affect all borrowers equally. Small borrowers such as consumers, small businesses, and farmers will face increasingly tight lending conditions. Large commercial banks tend to prefer short-term loans to established corporate customers, and since corporate loan demand is strong and deposit inflows are weak, fewer funds will be available to other customers. Credit for farmers' annual operating expenses is expected to be available, but at high rates. Money for purchases of land and major capital items probably will be limited.

Spending plans of State and local governments are being reduced because of financial conditions. Many municipalities have laws placing a ceiling on the interest rates payable on their debt obligations. As a result, many municipal offerings have gone unsold because the interest ceilings are not high enough to attract investors. Even municipalities without such ceilings have reduced their expenditure plans because they are unwilling to pay the record-high market rates.

Free Reserves^Δ Decline



^Δ Difference between excess reserves and member bank borrowing from F.R. banks.

Free Bank Reserves Down

Free bank reserves—the difference between excess reserves and borrowings at Federal Reserve Banks—are a general measure of credit conditions. (Excess reserves are member bank deposits at Federal Reserve Banks that exceed legal requirements). Positive free reserves usually indicate relatively easy credit conditions, while negative free reserves indicate relative tightness. The accompanying chart shows the increasingly negative levels of free reserves.

April Situation Report Schedule

Situation reports which will be released by USDA's World Food and Agricultural Outlook and Situation Board this month are:

Title	Off Press
Rice	April 1
Livestock & Meat	April 9
Ag Supply & Demand	April 16
Ag Supply & Demand	April 30

Single copies of the above reports may be obtained by writing to: ESCS Publications, Room 0054 South Building, USDA, Washington, D.C. 20250.

Food and Tobacco Manufacturing Industries More Concentrated

The 50 largest U.S. food manufacturing firms' share of food industry assets rose from 42 percent in 1963 to nearly 64 percent in 1978. According to John Connor, a USDA economist, their share could reach 100 percent by the year 2000.

Connor, who has just completed a study of U.S. food and tobacco manufacturing industries, found the number of firms in these fields is falling by about 3 percent a year. He found that the 200 largest firms account for two-thirds of industry sales, over four-fifths of industry assets, four-fifths of all media advertising of food, and more than 96 percent of all research and development.

According to Connor, the rate of merger, industry concentration, and product differentiation are also increasing. Product differentiation involves manufacturers' attempts to make a product slightly different or seem slightly different from those of competitors. Generally, differentiation is designed to build brand loyalty and increase competition.

During the 1951-55, food manufacturers' after-tax profit rate was 8.4 percent, compared with 11.5 percent for other manufacturers. During 1971-75, after-tax profits of food manufacturers rose to 13.2 percent, while the rate for other manufacturers remained fairly constant at 11.9 percent. This period marked the first time that after-tax profits for food and tobacco industries—as a percentage of stockholders' equity—exceeded the average for other manufacturing industries.



Agricultural Economy

The outlook for farm income in 1980 has weakened somewhat in recent months. Cash receipts from crops are currently forecast at around \$66 billion, about 6 percent higher than 1979. However, an upward revision in pork production coupled with sluggish demand for the balance of 1980—which will hold prices down—may limit livestock receipts to about \$68 billion, up only 2 percent from last year.

Recent price increases for production items, especially short-term interest, fuel, and fertilizer, will push the cost of farming in 1980 even higher than earlier estimated. Even if farmers limit purchases due to sharply higher input prices, total production expenditures this year will exceed 1979 outlays by more than 12 percent, reducing net farm income.

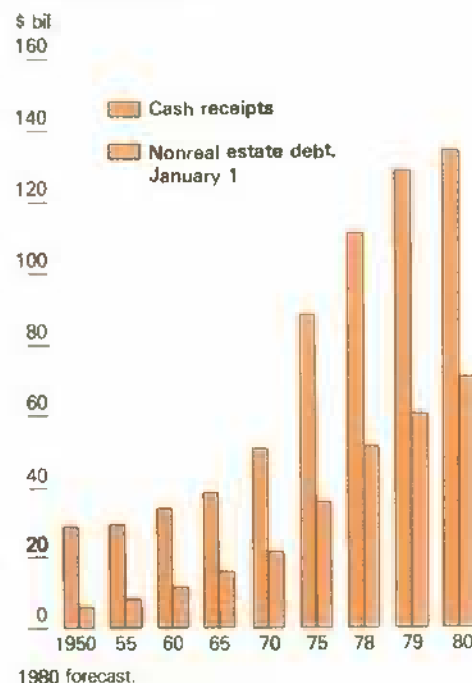
A major development this past winter was the unprecedented rise in interest rates as part of a tight monetary policy to bring inflation under control. The prime rate rose from about 12.5 percent in September 1979 to 15½ percent in November following an increase in the Federal Reserve discount rate in early October. By early April this year the prime rate had soared to 20 percent.

Interest rates for agricultural loans traditionally have lagged behind those for non-agricultural loans. However, during the past 3 years credit conditions for agricultural loans have moved more closely in line with general credit conditions (see special article on agricultural credit conditions).

During the fourth quarter of 1979, interest rates for short-term agricultural credit averaged 11 percent at Production Credit Associations, 16.2 percent at large commercial banks, and 13.1 percent at other banks. These rates represent increases of 20 percent, 38 percent, and 31 percent, respectively, from a year earlier. Since the fourth quarter of 1979, the prime rate has risen about as much as it did during the previous 12 months. Consequently, interest rates for agricultural loans will continue to increase.

In addition to higher interest rates, changes in the "terms of trade" for purchasing agricultural inputs will add to total credit outlays this year. For example, in past years, payment for fertilizer within 6 months was considered a cash transaction. This year, however, payment is due within 30 days.

Farm Cash Receipts vs. Nonreal Estate Debt Outstanding

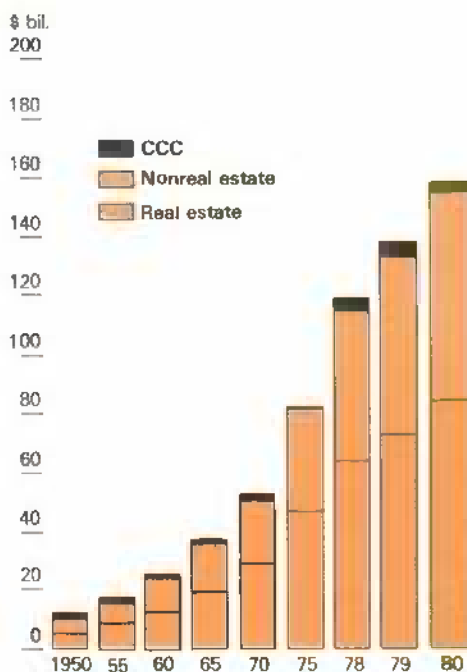


Farm Debt Rising Faster in Recent Years

Between 1950 and 1980, total farm debt outstanding has mushroomed from \$12.4 billion to \$158.5 billion, growing at an average annual rate of 8.9 percent. However, between 1950 and 1970, the rate of increase averaged only 7.5 percent per year. From 1970 to 1975, the rate rose to 9.1 percent; 1975 to 1978, to 13.4 percent; and for the past 2 years to 15.3 percent.

Growth rates for real estate debt and non-real estate debt have differed significantly during various time periods. On January 1, 1950, real estate debt accounted for 45.1 percent of the total; nonreal estate debt 41.1 percent; and CCC debt 13.8 percent. From 1950 to 1960, real estate debt increased at an average annual rate of 7.9 percent, while nonreal estate debt increased 8.6 percent annually. During the next decade, real estate debt rose at an annual rate of 9.3 percent, with nonreal estate debt increasing 6.3 percent annually. Thus, by January 1, 1970, real estate debt made up 55.1 percent of total debt outstanding, compared with 39.8 percent for nonreal estate debt; CCC loans accounted for the balance of 5.1 percent.

Farm Debt Outstanding^Δ



^Δ Farm loans outstanding January 1. 1980 preliminary.

Since 1970, the trends have reversed. From 1970 to 1978, real estate debt rose at an annual rate of 10.2 percent, nonreal estate debt 11.7 percent. During 1978 and 1979, real estate debt increased 14.4 percent per year and nonreal estate debt 17.6 percent. Currently, real estate debt accounts for about 53 percent of the total and nonreal estate debt about 45 percent.

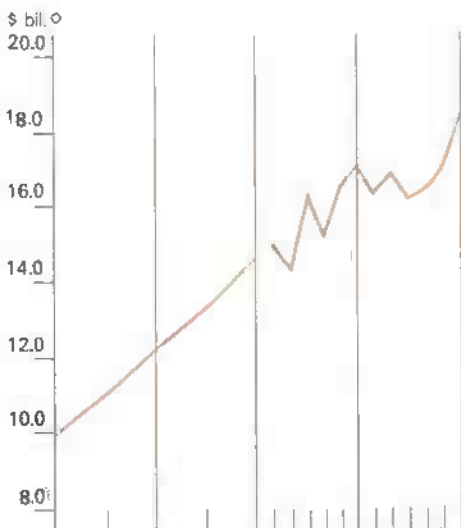
Credit Impact on Cattle Industry

The recent rise in interest rates bears particularly heavy on the cattle feeding industry. Commercial feedlots, representing the bulk of demand for feeder cattle, normally require credit for most of the cost of feeder cattle and for at least part of the feed. Feeding margins have been negative since mid 1979; placements on feed have dropped from a year earlier, and the supply of feeder cattle outside feedlots continues to exceed year-earlier levels.

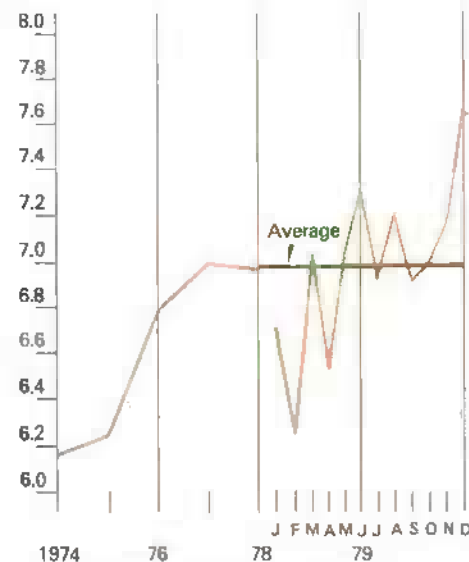
Placements on feed will continue to lag until fed cattle prices improve, feeder cattle prices drop, or a combination of these places the cattle feeder back in the black. The interest rate increases since February have added at least \$10 to the cost of feeding a 600-pound steer to slaughter weight. This is equivalent to a price rise of about \$1 per cwt. for a 1,000-pound slaughter steer or a drop of about \$1.60 per cwt. for a 600-pound feeder steer.

Lighter weight feeder cattle are not likely to be slaughtered this spring due to lack of demand for feeder cattle. In late March, 900-1,100 pound good grade slaughter steers averaged \$63.85 per cwt. at Omaha, and 700-800 pound feeder steers averaged \$78.69 at Amarillo, Texas. If the price of feeder steers drops to a level that would permit them to move into slaughter, they will become very attractive to commercial feedlots. However, heavier weight feeder cattle are less attractive, and an increasing number of nonfed steers and heifers are expected to be slaughtered this fall as the grazing season ends.

Sales at Retail Food Stores . . .



... Level Off in Constant Dollars^Δ



○ Annual data represent average monthly sales.
^Δ 1967 dollars.

Lags in adjusting to the higher interest rates may result in an erratic pattern of fed beef supplies this year. Placements may continue to lag for several weeks, followed by a period of higher placement rates when feeding margins improve. This would cause fed beef supplies to grow increasingly tighter in late spring and early summer and then turn higher late in the year.

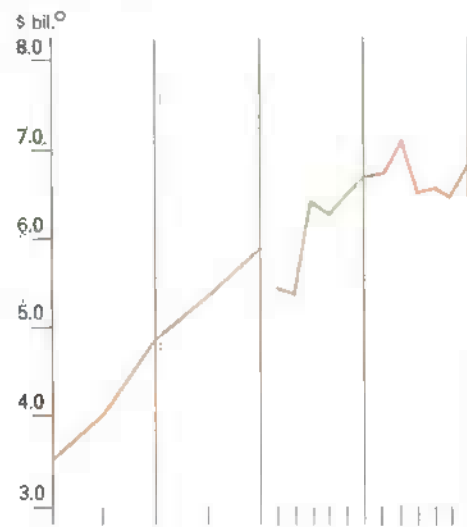
Constant-Dollar Food Sales Level Off

Measured in constant dollars, sales at food stores have been leveling off for the past 2 years, and constant-dollar sales at eating and drinking establishments were down slightly in 1979.

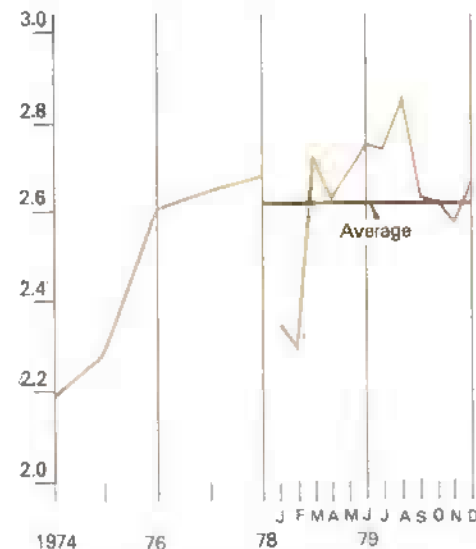
Measured in current dollars, sales have increased since 1974 at both retail food stores and eating and drinking establishments. But constant-dollar sales at retail food stores peaked in 1977, declined slightly in 1978, and then recovered to the 1977 level last year. The recovery came during the last 3 quarters of the year despite no increase in real disposable incomes.

Constant-dollar sales at eating and drinking establishments followed a slightly different pattern. Sales grew steadily through 1978 and then declined in 1979—their first drop since 1971.

Sales at Eating and Drinking Establishments . . .



... Decline in Constant Dollars^Δ



○ Annual data represent average monthly sales.
^Δ 1967 dollars.

Strong Dollar May Affect Some Export Markets

The recent rise in interest rates was accompanied by a rapid appreciation in the value of the U.S. dollar. Between early January and early April, the dollar had gained almost 15 percent against the West German mark as the exchange rate increased from 1.716 to 1.968 marks to the dollar. The dollar gained almost 10 percent in terms of the Japanese yen as the exchange rate jumped from 235.7 to 258.7.

The rise in the dollar's value may be contributing to the price weakness of some U.S. commodities most dependent on export markets. For example, the price of corn for export at Gulf Ports was \$117 per metric ton in early January, or 200.77 West German marks ($1.716 \times \$117$). As a result of the appreciation of the dollar, the price of corn has now risen to 230.26 marks ($1.968 \times \$117$). Consequently, the c.i.f. price of U.S. corn to West German importers has jumped 14.7 percent. However, the effective import price—including the EC variable levy—has remained about the same as in early January.

The only way that the cost of U.S. commodities to importing nations will not rise when the dollar appreciates is for domestic grain prices to fall. In terms of the above example, the cost of U.S. corn to West German importers will remain constant if the price of corn at Gulf ports dropped to \$102.02 per metric ton ($1.968 \times \$102.02 = 200.77$).

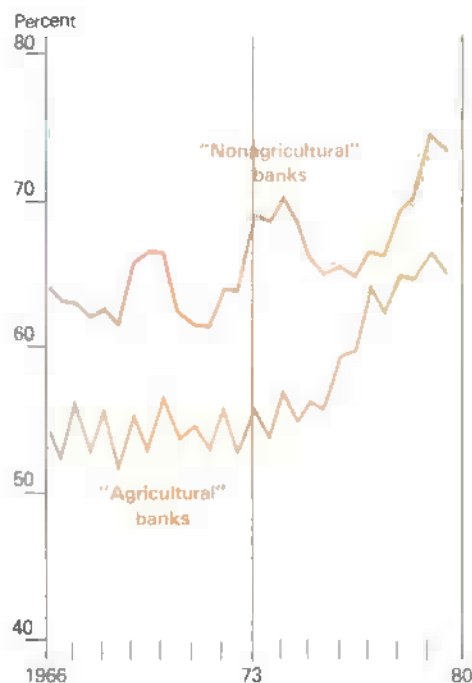
AGRICULTURAL CREDIT

Agricultural and Non-Agricultural Banks More Interdependent

As the nation's financial system grows more interrelated, disturbances in nonagricultural financial markets tend to spill over more into agricultural markets. One example of the increased interdependence is the higher correlation between movements in loan-to-deposit ratios of agricultural and nonagricultural banks since 1976.

Loan-to-deposit ratios reflect the general condition of a bank's loan availability and liquidity. Prior to 1976, while loan-to-deposit ratios of nonagricultural banks changed according to general business conditions and the relative costs of alternative business debt, those of agricultural banks generally moved in response to local loan

Average Loan/Deposit Ratio at Insured Commercial Banks



demand and deposit conditions and displayed less overall variation. Since 1976, however, the loan-to-deposit ratio for rural banks has closely paralleled the upward movement in the ratio for nonagricultural banks.

This parallel movement can be traced in part to trends that both types of banks have in common—slower overall deposit growth and strong demand for loans. However, it is also the result of the greater interdependence of agricultural and nonagricultural markets, particularly the increased importance of the federal funds market and the higher cost of funds to both agricultural and nonagricultural banks.

The federal funds market is the market for excess reserves held by member banks at Federal Reserve Banks. Banks whose reserve levels currently exceed requirements lend funds—generally for no more than a few days—to banks deficient in reserves.

Over the last decade, the federal funds market has grown in volume as the upward trend in interest rates and reduced cost of federal funds transactions raised the opportunity cost of holding excess reserves. Greater activity in the federal funds market has meant that changes in the condition of bank reserves in one region or sector now generally affect bank reserve conditions nationally.

The Federal Reserve Board's June 1978 decision allowing banks to issue 6-month money market certificates—which are tied to the 6-month Treasury bill rate—has caused the cost of funds to agricultural and nonagricultural banks to fluctuate much more closely together. Before the popularity of money market certificates, small banks, which are heavily dependent on consumer deposits, had relatively constant fund costs because of Regulation Q interest-rate ceilings on consumer deposits. On the other hand, since the late 1960's large banks have routinely depended on managed liabilities such as large (over \$100,000) certificates of deposit, which generally have not been subject to Regulation Q interest-rate ceilings.

In past business expansions, while interest rates on business loans rose markedly at large banks—reflecting strong corporate loan demand and the increased cost of funds to large banks—interest rates at small banks were relatively unaffected. However, the popularity of 6-month money market certificates has led to large-scale substitution of these high-yielding certificates for relatively low-yielding passbook savings deposits, thus significantly raising the cost of funds to small banks. (See accompanying chart showing farm income loan rates at commercial banks).

In conclusion, the era of relatively inexpensive and abundant funds to farmers from commercial banks appears to be passing. Changes in nonagricultural loan demand will continue to have a large impact on the agricultural credit situation by directly influencing the Treasury bill rate, which indirectly affects the cost of funds to agricultural banks through its impact on the cost of consumer money market certificates.

Current Credit Conditions

Farmers in most regions will still have their basic credit needs met by commercial banks in the foreseeable future; however, funds for postponable fixed farm investment generally will be less available. Credit conditions at agriculturally oriented commercial banks likely will continue tight in the immediate future since roughly half of all agricultural banks report that their loan-to-deposit ratios are higher than desired.

However, while the farm credit situation is basically adequate on the national level, it varies from region to region. In particular, a severe farm credit shortage now exists in the upper Midwest. Transportation problems have temporarily depressed local farm prices in the Midwest far below those prevailing in other regions, thus encouraging farmers to withhold grain in anticipation of future higher prices.

This withholding of grain has slowed repayment of outstanding farm loans to commercial banks and Production Credit Associations (PCA) at a time when new farm loan demand has increased due to higher farm production costs. In the last year, loan volume at PCA's in the St. Paul District has jumped more than 50 percent, reflecting the tightness of the commercial banking system and depressed farm income in the region. The prospects of weaker farm income this year coupled with the large increase in loan applications have caused a sharp increase in the proportion of loan rejections and loan delays at PCA's in the St. Paul region.

The recent rise in the cost of funds has not been confined to agricultural commercial banks; indeed, the cost of funds to other agriculturally related financial institutions—such as PCA's and Federal Land Banks—has also risen sharply. This rise will affect interest rates charged by PCA's more than those of Federal Land Banks. PCA's have a greater proportion of their debt obligation in short-term debt, which must be "rolled over" frequently; therefore, the average cost of their funds is more sensitive to changes in interest rates.

Federal Reserve Credit Policy's Impact on Agriculture

Although credit conditions at agricultural commercial banks are now somewhat tight and are likely to remain so in the near future, the new Federal Reserve credit policy could benefit rural borrowers by providing more funds for agricultural lending in the near future.

First, by reducing growth in speculative and consumer loans as well as in corporate lending and lines of credit with banks, commercial banks should have more funds available for business and agricultural loans. More funds also should be available to agriculture as banks and other financial institutions face 15-percent reserve requirements on most forms of consumer lending beyond their March 14 levels.

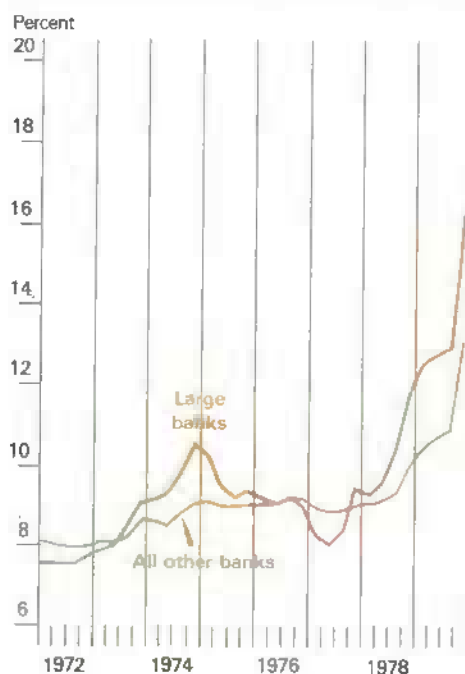
Furthermore, nonbank financial intermediaries specializing in consumer credit—such as credit unions and consumer finance companies—obtain some of their loan funds from commercial banks. Thus, by reducing the growth of nonbank consumer credit, loan demand by nonbank financial intermediaries should be reduced, leaving more commercial bank funds for nonconsumer loans.

Second, the new 15-percent marginal reserve requirement on increases in the assets of money market mutual funds should reduce deposit outflows from rural commercial banks and savings and loan associations. Money market mutual funds invest primarily in Treasury securities and the debt obligations of large corporations and large commercial banks, thus tending to transfer funds away from rural banks and, ultimately, from farmers.

Third, the 3-percent surcharge on the discount rate for member banks that borrow frequently from the Federal Reserve does not apply to banks with less than \$500 million in deposits. Most banks heavily active in farm lending have less than this amount in deposits, and therefore will not be affected by the surcharge. Furthermore, the Federal Reserve recognizes the seasonal credit needs of agriculture and has been willing to accommodate the seasonal borrowing needs of agricultural banks at the discount window.

Considering the current strong farm loan demand and the rising costs of private funds to small banks, the Federal Reserve is openly encouraging small rural banks to borrow from the Federal Reserve. The degree of response of rural banks to the Federal Reserve's liberal discount policy is uncertain.

Interest Rates on Nonreal Estate Farm Loans



Source: Federal Reserve System.

Deficiency Payments Update: Sorghum, Corn

Farmers who complied with the 1979 sorghum set-aside program will receive around \$61 million in deficiency payments from USDA.

Deficiency payments are made to program participants when the national weighted average market price for the first five months of the marketing year (October-February) falls below the government-established target level for the commodity. The payment rate is the difference between the target level and the five-month average price or the national average loan rate—whichever is higher.

The average farm price for sorghum was \$2.21 per bushel during October 1979-February 1980—13 cents below the \$2.34-per bushel target level.

Corn producers will not receive deficiency payments for their 1979 crop, as the average farm price of \$2.31 per bushel exceeded the \$2.20 target price.



Food and Marketing

The Consumer Price Index (CPI-U) for February showed food prices rising 0.5 percent before seasonal adjustment, less than a third of the 1.6 percent jump in nonfood prices. The February rise in food prices was well below the increases of early 1978 and 1979, partly reflecting this winter's relatively mild weather. Adjusting for seasonal variation left the food price index unchanged from the previous month—the second consecutive month this has occurred.

The cost of food at home rose only 0.3 percent in February, compared with the 0.9 percent rise in food away from home. The main grocery items contributing to this increase were cereals and bakery products, sugar and sweets, and nonalcoholic beverages. Prices declined for pork, poultry, eggs, and fresh vegetables.

The farm value of the market basket rose 0.8 percent, while prices for fish and imported foods climbed 1.8 percent. Partly offsetting these increases, the farm-to-retail price spread fell 0.6 percent—the first decline since last November.

THE 1980 PICTURE

In 1980, retail food prices are still expected to rise 7 to 11 percent, but it is becoming increasingly unlikely that the increase will fall near the lower end of this range. The worsening inflationary environment will affect food prices primarily through higher

marketing costs, which are expected to rise significantly faster than farm value.

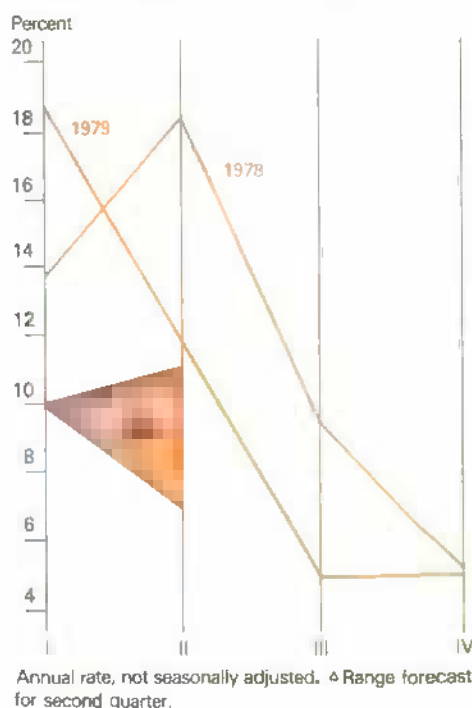
No extremely large food price rises—such as those of early 1978 and 1979—are anticipated this year. The quarterly pattern indicates that food prices likely will accelerate somewhat in the second quarter. Third-quarter increases will continue at near the second-quarter rate before tapering off some in the fourth quarter.

In the first quarter, higher prices for energy, packaging, and labor worked their way through the food marketing sector, causing the farm-to-retail price spread to widen. This is the primary factor behind first-quarter food price increases. With large pork and poultry production and plentiful supplies of citrus fruits, the farm value of the market basket showed only a modest gain.

During the second quarter of 1980, rising marketing costs will again be the main cause of higher food prices. The farm value will likely accelerate slightly but will still contribute less than marketing costs to rising food prices.

Higher marketing costs are likely to continue as the main impetus behind food price increases in the third quarter, although they are expected to rise more slowly if the general inflation rate declines as currently expected. The farm value will continue to increase.

Quarterly Change in Food Prices



By the end of the year, increases in farm value and marketing costs will slow, with each contributing equally to fourth-quarter food price rises.

FOOD MARKETING COSTS

The marketing bill—a measure of the processing and distribution costs for U.S. farm foods purchased by civilian consumers—is expected to increase about 12 percent in 1980, the same as last year. Most of the continuing double-digit rise can be traced to inflation-related business costs—primarily labor, transportation, packaging, and energy.

Consumer purchases in food stores and eating places (plus the value of food served in institutions) may total around \$262 billion in 1980—a jump of \$23 billion over 1979. More than 85 percent of this increase will be caused by a higher marketing bill, which is expected to rise \$20 billion in 1980 to \$182 billion. The farm value may amount to about \$80 billion, an increase of \$3 billion over last year.

Due to the rising cost of living, workers are asking for higher wages. In the absence of an economic slowdown, demand-sensitive industries—including manufacturing of pulp and paper and metal products—are able to pass their rising costs on to buyers. An economic slowdown is expected later in the year that may dampen wage demands and prices of most goods and services except energy.

Labor Costs to Rise

Labor costs are expected to rise 10 to 12 percent in 1980—nearly the same as last year. The increase will reflect rising unit labor costs and a gradual increase in the volume of food marketed. Unit labor costs will be higher because of increased hourly earnings, higher employee benefits, and little, if any, productivity gain.

Some wage boosts—including negotiated deferred increases and cost of living adjustments (COLA)—will come automatically in 1980. Deferred wage increases are due for many food marketing employees, including 222,000 food processing employees (mostly in September). The median deferred increase will be about 5.6 percent.

About 500,000 food marketing workers—primarily food store employees—have contracts with COLA clauses. The most common formula for such escalators is a 1-cent increase in the base wage rate for each 0.3 point movement in the CPI.

Components of retail expenditures for farm foods

	1978	1979 ¹	1980 ²
	Billion dollars		
Retail expenditures	212.4	238.8	262
Farm value	68.3	76.8	80
Marketing bill	144.1	162.0	182
Labor ³	66.7	74.1	82
Packaging materials	17.7	19.8	22
Transportation and truck ⁴	10.9	12.3	14
Corporate before taxes	9.1	10.2	10
Other ⁵	39.7	45.6	54

¹ Preliminary. ² Estimated. ³ Includes supplements to wages and salaries such as pensions and health insurance premiums. Also includes imputed earnings of proprietors, partners, and family workers not receiving stated remuneration. ⁴ Does not include local hauling charges. ⁵ Includes business taxes, depreciation, rent, advertising interest, energy, and numerous other costs.

The Council on Wage and Price Stability (COWPS) has adopted a new voluntary pay standard with a range of 7.5 to 9.5 percent for annual wage increases. Businesses with more than 1,000 employees that agree to increase wages more than 8.5 percent must report to COWPS, giving reasons for granting the larger increase. Pay adjustments may exceed 9.5 percent if COWPS approves an exception on the grounds of productivity improvements, acute labor shortages, gross inequities, or hardships.

COWPS' Pay Advisory Committee is determining the effects of the new pay standard on the price standards. Most food marketing firms have chosen to comply with an alternative price standard involving limits on gross margins rather than price increases.

Productivity presents a major uncertainty in the outlook for labor costs. According to revised data, labor productivity for the nonfarm private economy declined 1.1 percent in 1979, compared with a gain of 0.5 percent in 1978. The food industry has followed the overall decline in productivity, adding substantially to unit labor costs. As in the nonfarm economy, the decline has involved service industries—food stores and eating places. By contrast, productivity in the food processing sector has increased at an annual rate of about 2 percent in recent years.

Packaging Costs Revised Upward

Food packaging costs may rise 12 to 14 percent this year. The estimate of these costs have been revised upward due to the unexpected strength of paper product prices. Prices of paper products, which account for about half of total packaging costs, were anticipated to weaken this year as demand fell due to an expected economic slowdown; instead, they leaped 21 percent (annual rate) in the first quarter over the fourth quarter of 1979.

Prices for glass containers are increasing below the general inflation rate, as expected. Prices for plastic packaging materials continue to reflect rising petroleum prices. In

the first quarter, producer prices of packaging materials used in food manufacturing rose 14 percent (annual rate) from the fourth quarter of 1979.

Transportation Costs Affected

By Fuel Prices

Transportation costs likely will continue to increase in 1980 due to rising wages and fuel prices. In 1979, railroad freight rates jumped 14 percent because of general rate hikes and fuel surcharges. The Interstate Commerce Commission recently granted railroads a 4-percent general rate increase effective April 1.

Regulated truck carriers were granted rate increases ranging from 5.1 to 8.0 percent effective April 1 primarily to cover wage adjustments made according to the master freight agreement. In addition, these carriers have been authorized fuel surcharges since June 1979. These surcharges are currently adding 13 percent to the general rate. However, nonregulated truck rates for fresh produce are currently below June 1979 levels, although their operating costs have risen 19 percent.

Energy Prices Soar

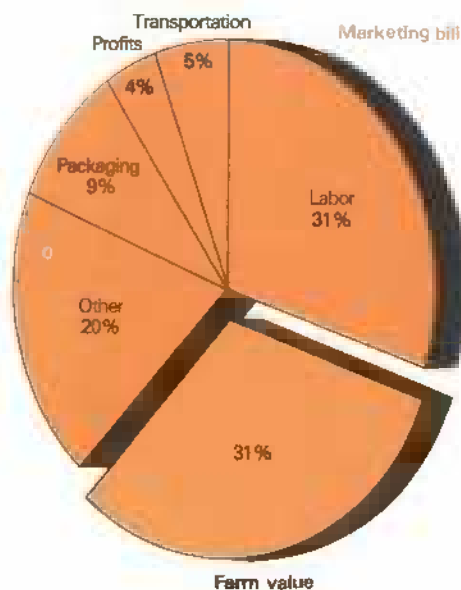
Energy prices rose 41 percent (annual rate) in the first quarter from the fourth quarter of 1979—faster than any other good or service purchased by food marketing firms. The first-quarter increase for petroleum products and natural gas was 45 percent (annual rate). Electric power rates rose 22 percent (annual rate), significantly higher than the 8 percent annual increase last year. The price surge is due to electric-generating firms passing through their rising fuel and capital costs.

Corporate Profits Revised Downward

Before-tax profits by corporations involved in food marketing rose 12 percent in 1979, but aggregate profits are expected to show little change in 1980. This figure represents a downward revision from the 15 percent reported earlier because profit margins slumped in the fourth quarter. Food processors and public eating places reported lower fourth-quarter profit margins than a year earlier, while retail food stores reported that their profit margins were the same as a year earlier.

While profit margins of individual firms may fluctuate, the aggregate profit margin for food marketing firms is expected to be lower in 1980 than in 1979 due to rising costs and slackening demand.

Components of Retail Food Prices



For domestic farm foods purchased by civilian consumers for consumption both at home and away from home. 1980 estimated.



Commodity Highlights

Wheat: With the arrival of spring, conditions of wheat crops throughout the Northern Hemisphere become of paramount importance to prospects for the new crop year. In the United States, winter wheat is generally rated fair to good, while insufficient soil moisture is causing concern to spring wheat producers in the northern plains. Even though winter wheat yields look likely to fall short of last year's record, there is still a good chance that total U.S. wheat production will top 2 billion bushels again in 1980.

Conditions are mixed in other major wheat-producing areas. In East Europe and the Soviet Union, winter wheat conditions appear favorable, while the outlook is less bright in India and China. The outcome of harvests in these countries will significantly affect world wheat trade for 1980/81.

Corn: Prospects for corn export volume this year have recently increased due to deteriorating crop prospects in Argentina and growing world demand, as importing nations seek new sources of grain in the face of strong competition from the USSR. U.S. corn exports are projected at 2.4 billion bushels, some 270 million above last year's record. Corn prices at the farm rose a little following harvest, but then fell in late winter and early spring. The CCC has started buying corn that was suspended from shipment to the Soviet Union; these purchases should benefit the corn market.

Soybeans: Farm prices for soybeans have dropped sharply, from \$7 a bushel in September 1979 to an estimated \$6 in March. This downward movement resulted from the 20-percent increase in soybean supplies for 1979/80, coupled with only an 8 percent increase in expected use. In addition, record large world supplies of oilseeds, expanding production in South America, high interest rates, tight credit, and the suspension of export sales to the USSR have all contributed to lower soybean prices.

Brazil's soybean crop—now being harvested—is estimated at a record 15.6 million metric tons, 5.4 million above the drought affected 1979 crop. Brazil's policy is to crush soybeans at home and export the products—mainly soybean meal. Soybean production in Argentina is placed at nearly 4 million tons, or about the same as last year. Demand for U.S. soybeans probably will slacken this spring and summer as South American soybeans and products enter world markets, placing more downward pressure on soybean prices.

Cotton: After holding steady throughout most of 1979, cotton prices began to rise in December. In February, spot prices of SLM 1-1/16 inch cotton averaged nearly 81 cents a pound. This triggered the special upland cotton import quota provided by the 1977 Food and Agriculture Act. The special quota is nearly 510,000 bales and will be effective for 90 days following the President's proclamation of March 28, 1980.

Due to tight supplies and high prices of foreign cotton, the special quota will have little or no impact on U.S. cotton prices. In fact, during August-January of this crop year, only 2,125 bales of upland cotton entered the United States under the regular annual quota of 30,000 bales.

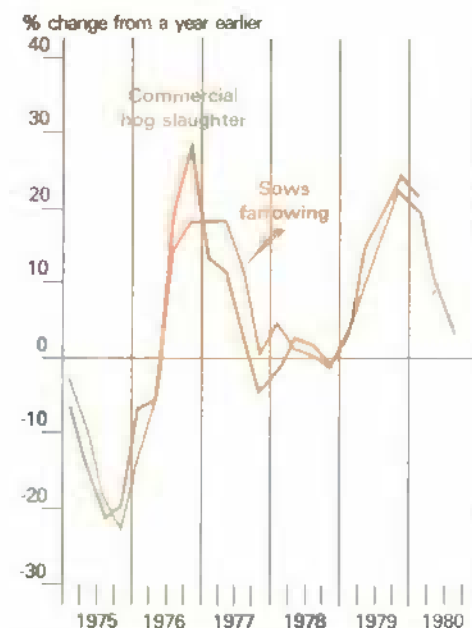
Cattle: The number of cattle on feed in the 7 major cattle-feeding States remains below year-earlier levels. Fed cattle marketings continue at a slow pace, with steer and heifer weights well above 1979 levels. Feedlot placements are being held down by the continued failure to cover costs of fed cattle being marketed. In addition, interest rates are considerably higher than a year ago, further increasing costs.

A slow economy and reduced consumer real incomes are placing great uncertainty on future prices and costs. Choice 900 to 1,100 pound steers at Omaha averaged about \$67 a cwt. in the first quarter, and they are expected to run in the high-\$60's to low-\$70's this spring.

Feeder cattle prices are coming under increased price pressure. Yearlings averaged in the lower \$80's early this year, but had declined to the low \$70's in late March. Large supplies of competing meats and increased pressure on consumer budgets will continue to hold cattle prices down.

Hogs: The March 1 inventory of hogs and pigs on farms in the 14 major hog-producing States was up 7 percent and the largest March 1 inventory since 14-state records began in 1970. The market inventory was up 9 percent, but the breeding inventory declined 3 percent.

Hog Slaughter to Continue Above Year-Earlier Levels



Data shows farrowings two quarters earlier. Slaughter generally lags farrowing by two quarters.

Hogs and Pigs: Inventory and Pig Crops

March 1 Inventory	1979	1980
	(1000 herd)	
For breeding	8,333	8,094
For Market		
Under 60 pounds	17,002	18,056
60-119 pounds	10,117	11,049
120-179 pounds	9,166	10,308
180 pounds and	6,317	7,223
over		
Sows Farrowing		
December-February ...	2,660	2,737
March-May	3,486	3,473
Pig Crop		
December-February ...	18,266	19,627
March-May	24,994	

¹ Intentions.

Farrowings during December-February were up 3 percent from year-earlier levels and from December 1979 intentions. March-May farrowing intentions were the same as a year earlier. Abundant corn supplies probably encouraged producers to expand spring farrowings beyond December intentions, particularly in Iowa and Minnesota. The increase in farrowings and in the number of pigs saved per litter boosted the December-February pig crop 7 percent from a year earlier. Mild weather this winter likely reduced disease and death losses from the last 2 years, when weather was extremely harsh. Pigs born in the first half of the year provide the bulk of second-half slaughter supplies.

The large supply of hogs on hand will keep downward pressure on hog prices, averaging in the mid \$30's during the second quarter and upper \$30's during the second half. For most hog producers, returns may remain below production costs through the summer.

Broilers: In the first half of 1980, broiler production will be 4 to 5 percent larger than last year. This increase, coupled with large pork supplies, may cause first-half broiler prices to average 4 to 6 cents a pound less than year-earlier levels. Negative net returns to broiler producers likely will limit expansion in second-half production to only 2 to 3 percent. With pork supplies expected to remain large, second-half broiler prices likely will average near the January-June 1980 levels and only 1 to 3 cents above July-December 1979.

Dairy: Milk production for January and February, on a daily average basis, was 2.7 percent higher than last year. The production increase was due to relatively large increases in output per cow combined with small year-to-year declines in milk cow numbers. Milk production is expected to continue showing year-to-year gains during the next several months.

With larger supplies of milk available in recent months, the production of butter, nonfat dry milk, and American cheese has been significantly above year-earlier levels. When combined with abundant commercial stocks, USDA purchases during the first 2 months of 1980 were up sharply from a year earlier. Unless demand shows unexpected strength, USDA purchases will remain considerably above a year earlier at least through the spring.

Vegetables: California's January rains and Florida's March frost had little effect on supplies and prices of fresh vegetables at the time. However, the wet fields in California delayed plantings of lettuce, and the Florida freeze killed young cucumber, squash, eggplant, and watermelon plants. As a result, short supplies of these vegetables may cause price increases for fresh vegetables in late April and early May. After these short-term aberrations, supplies of most fresh vegetables will be ample throughout the spring and summer, with prices continuing to average below year-earlier levels.

The index of prices received by farmers for commercial vegetables in March 1980 stood at 181 (1967=100), compared with 218 a year ago. Lower prices for lettuce, cabbage, carrots, celery, onions, and tomatoes were responsible for most of the decrease.

Citrus: The March 3 freeze in Florida has apparently had little if any effect on this season's citrus output. Florida orange production was estimated at 203 million boxes on April 1—up 3 million from a month earlier. The increase was due mainly to a larger harvest of early and mid-season varieties, which is now virtually complete. The Florida Valencia crop, which is only 7 percent harvested, is forecast at 85 million boxes—the same as before the freeze. Total U.S. citrus production was forecast on April 1 at 16 million metric tons—up 1 percent from March 1 prospects and 20 percent above the 1978/79 crop.

Strawberries: California's spring area for harvest is down 4 percent from 1979, while Florida's winter strawberry crop is forecast 9 percent above last year. February storms in California caused most of the high-value first picks to be lost. In Florida, the freeze on March 3 damaged strawberries to some extent; however, Florida shipments have been running above last year's pace, and as a result f.o.b. prices have declined moderately from year-earlier levels.

Sugar: U.S. retail and wholesale prices jumped this winter as a result of sharply higher world prices for raw sugar. Refined beet sugar (sold in bulk) averaged 26.1 cents a pound in February, 25 percent above January. In the same period, the Bureau of Labor Statistics (BLS) producer price index for refined sugar leaped 32 percent. At retail, the average price of sugar rose 4 percent in January to 28.4 cents a pound, and increased substantially again in February. For 1980, retail prices for refined sugar likely will average more than 15 percent above 1979's 24.9 cents a pound.

Tobacco: The smaller 1979 crop pulled tobacco supplies down 6 percent this season. Declining U.S. exports are reducing total use from last season, but October 1 carryover stocks (July 1 for flue-cured) may still be down 7 percent. The 1980 crop is forecast to rise by as much as 30 percent from the weather-reduced 1979 crop, especially if yields recover to more normal levels. An additional uncertainty this season is blue mold disease, which has devastated the 1980 tobacco crops in Cuba and other Caribbean areas and by mid-March had infected U.S. plant beds. Chemicals are available to treat only about 40 of the U.S. planted acreage.



Agricultural Policy

USDA announced a number of major policy decisions in March. Many will have their primary impact on grain producers and the grain trade, although their influence will eventually spread to other sectors of the agricultural economy.

No Paid Diversion: USDA announced that it will not institute a paid land diversion program for 1980 crops of wheat, corn, or other grains. The decision was based on prospects indicating that world demand for grains would continue to expand. While the U.S. had record large grain production in 1979/80, world production of grain actually declined. This has boosted demand for U.S. crops. U.S. feed grain exports are expected to reach a record 69 million tons in the current marketing year and U.S. wheat exports to total 36 million tons—also a record amount.

Cotton Loans: USDA will no longer allow extension of outstanding Commodity Credit Corporation (CCC) nonrecourse loans on upland cotton scheduled to mature after March 30.

A loan on upland cotton matures 10 months from the first day of the month in which the loan was made. Under certain conditions, producers can request—and USDA must allow—an 8-month extension. However, the loan extension is not allowed if the average price of the basic grade of cotton (SLM 1-1/16 inch) at designated spot markets for

the preceding month exceeds 130 percent of the average spot price during the prior 36 months.

The spot price for February was 80.66 cents a pound—134 percent of the average price for the previous 36-month period. Loan extensions will again be approved when market prices dictate.

Rice program: The 1980 rice program, similar to the 1979 program, will have no set-aside acreage and no diversion payments. The national rice acreage allotment will remain at 1.8 million acres. Producers will be eligible for deficiency payments on allotment production after December 31, should the target price for 1980 exceed the higher of (a) the national average market price during the first five months of 1980 or (b) the national average loan rate for rice (1980). Deficiency payments for rice are limited to \$50,000 per person.

The 1980 target price for rice was set at \$9.49 per cwt., and the loan rate at \$7.12.

Wheat And Corn Purchases: In early March, the USDA announced that the Commodity Credit Corporation (CCC) would buy wheat and corn suspended from shipment to the Soviet Union.

On March 7, the CCC published an invitation to buy wheat at the prevailing market price. The wheat purchased is intended for use in overseas food-assistance programs; therefore, the classes of wheat purchased are based on P.L. 480 program needs. However, such use of the purchased wheat requires passage of a Food Security Act to establish a food security reserve; the wheat now being purchased will be isolated from the market until the Food Security Act is passed.

The purchase program will continue until a quantity equal to that suspended from shipment to the Soviet Union has been removed from the market. Purchases through late March totaled 14.8 million bushels of hard wheat and 1.8 million of soft wheat.

Target Price and Loan Levels, 1980 Crops

Item	Target Price		Loan Level
	1977 ¹	1980 ²	
	Act	Act	
Wheat	\$ 3.08	3.63	2.50
Corn	2.05	2.35	2.10
Sorghum	2.45	2.50	2.00
Barley	2.29	2.55	1.71
Cotton584	—	.480
Rice	9.49	—	7.12

¹ Target Prices determined using cost of production adjustment contained in the Food and Agriculture Act of 1977. ² Target Prices established using authorities granted by the Agricultural Adjustment Act of 1980.

In mid March, the CCC published an invitation to buy corn suspended from shipment to the Soviet Union. The offer specifies U.S. No. 2 yellow corn with maximum 15-percent moisture content, but No. 3 yellow corn is deliverable at a 5-cents-per-bushel discount. The CCC will continue to receive offers every second Thursday following March 27, and notice of acceptance of these offers will be issued every second Monday after March 31.

Unofficial weight and grade warehouses, approved grain storage warehouses not located at ocean ports, and individuals are eligible to submit offers to sell corn or wheat to the CCC. The minimum quantity that can be offered for sale is 2,000 bushels. After receiving a notice of acceptance, the seller has 45 days to deliver the corn to an approved warehouse.

Agricultural Adjustment Act of 1980: The Agricultural Adjustment Act of 1980, signed in March, sets 1980 target prices at \$3.63 a bushel for wheat and \$2.35 for corn. Producers must plant within their normal crop acreage (NCA) to qualify for benefits based on these target prices. Farmers that exceed their NCA will receive benefits based on the formula target in the Food and Agricultural Act of 1977; these target prices are \$3.08 for wheat and \$2.05 for corn.

The new act also extends the disaster payments program through the 1980 crop year for producers of wheat, feed grains, upland cotton, and rice. Producers must plant within their NCA to be eligible for disaster payments at the higher target prices. Combined disaster payments under all programs will be limited to \$100,000 per person.

In a follow-up action, the USDA announced 1980 target prices for sorghum and barley at \$2.50 and \$2.55 a bushel, respectively. However, if producers exceed their NCA, the applicable target prices will be \$2.45 for sorghum and \$2.29 for barley.

Public Dialogue On Structure Of Agriculture: USDA held 10 public meetings throughout the country during November and December. These meetings—the opening phase of a national dialogue on the present and future of American agriculture—drew 575 speakers and over 7,000 spectators representing State and regional organizations as well as interested individuals.

The closing phase of this dialogue will take place April 29 and 30 in the Jefferson Auditorium of the U.S. Department of Agriculture in Washington, D.C. Each day, starting at 9:00 a.m., Secretary Bergland will chair a session in which he will pose questions concerning future farm and food policy.

These final meetings are designed to advance the dialogue to a national perspective. As Secretary Bergland pointed out, "We need to begin concentrating on major issues raised during those meetings, so we can better identify the basic questions that must be answered before policies are developed for the future."

Written comments from organizations and individuals not scheduled to testify may be submitted for the public record until May 31. Such testimony should be mailed to: Structure of Agriculture Project, room 509-A, U.S. Department of Agriculture, Washington, D.C. 20250. The telephone number is (202) 426-3964.

Emergency Loan Program Extended: The emergency loan program of USDA's Farmers Home Administration, which was to expire May 15, has been extended until September 30, 1981—at a cost of \$2 billion. The program provides direct or guaranteed loans to farmers and ranchers, providing they were unable to find credit elsewhere. Any application for an insured loan of \$300,000 or more must be accompanied by letters from at least two private lenders explaining why they rejected the loan.

Non-Compliers Bill: A "Non-Compliers" bill has been passed by both the House and Senate and is awaiting the President's signature. The bill would allow farmers who did not comply with the 1979 set-aside program to put crops into the farmer-owned grain reserve. Farmers putting grain in the reserve are eligible for long-term government price support loans on their crops, which means a new source of credit for producers. According to preliminary USDA data, approximately 80 percent of the U.S. 1979 corn crop was produced on farms not in compliance with the 1979 program.

Assistance to Corn Producers: The USDA is assisting corn producers who are unable to place their 1978/79 crop in the farmer-owned reserve because of shortage of local storage space. Per-bushel assistance will be 6 cents for corn transported 20 to 50 miles; an additional 0.1 cent per mile for distances from 50 to 100 miles; and another 0.04 cent per mile for distances over 100 miles. Therefore, for corn moved 150 miles, a producer would be eligible for assistance of 13 cents per bushel.

Eligible corn producers will be notified of the aid program by ASCS county offices.

Dairy Support Prices Raised: On April 1, the support price for milk was revised from \$11.22 per cwt. to \$12.07 (3.5 percent butterfat), or about 79 percent of parity. The support price and CCC purchase price for butter rose from \$1.34 to \$1.4325 a pound (New York) and from \$1.3133 to \$1.4058 (Chicago); for cheese, from \$1.24 to \$1.325 a pound (40-lb. blocks) and from \$1.21 to \$1.295 (500-lb. barrels); and for nonfat dry milk, from 84 cents a pound to 89.5 cents.

Marketing Spread Pushed 1979 Food Prices Higher

The marketing spread—the difference between what farmers receive and consumers pay for food—widened nearly 12 percent last year, the largest increase in 5 years.

The spread accounted for slightly over half of the 10.8-percent rise in grocery store food prices, with higher farm values accounting for about a third, and fish and imported foods the rest. Unlike the farm value of food, the marketing spread has risen each of the past 10 years and has been the most persistent cause of higher food prices.

Here are the vital facts about 1979 food prices:

- Grocery store food prices rose only 3.9 percent (annual rate) in the last 6 months of the year; but a 15.5-percent annual rate during the first half raised the average increase for the year to 10.8 percent.
- Farmers received about 39 cents of every food dollar spent in grocery stores—virtually the same as in 1978.
- Retail prices jumped 17 percent for red meat, 12 percent for fresh fruits and vegetables, 10 percent for bakery products, 8 percent for fats and oils, and 5 percent for poultry. Dairy product prices were up 12 percent, egg prices 10 percent.
- Prices of inputs—such as fuel and food containers used by food processors and retailers—increased 13.5 percent.
- Average hourly earnings of workers in processing and retailing rose 8.3 percent.
- After-tax profits of food chains with over \$100 million in annual sales averaged 1 percent of sales during the second and third quarters combined, compared with 0.9 percent a year earlier. After-tax profits of food manufacturers averaged 3.4 percent of sales during the first 9 months of 1979, up from 3.2 percent the year before.



World Agriculture and Trade

WORLD CROP PROSPECTS

Southern Hemisphere Harvests Underway
Harvest in the Southern Hemisphere is now in full swing. While near-record rainfall in February was too late to have much impact on Argentine grain and soybean crops, favorable weather in neighboring Brazil has boosted crop prospects there. Conditions have been generally favorable in South Africa, while Australia's grain crops are running below a year ago.

Brazil's 1980 soybean crop, now being harvested, is likely to reach 15.6 million tons, up from the weather-reduced 10.2 million of the past 2 years. Although the estimate of Argentina's soybean crop has been pulled down in recent months, the 3.9-million-ton crop now in prospect is still slightly ahead of last year. Soybean production has expanded sharply in South America over the last decade—almost doubling since 1975—and now accounts for about a fifth of world output and almost a third of world trade.

Total 1979/80 grain output in the major Southern Hemisphere producing countries is likely to approximate last year's 89 million tons. Large output in Brazil and South Africa is being offset by smaller crops in Argentina and Australia. The South African coarse grain crop is expected to reach 11 million tons, re-

bounding from last year's drought-reduced level, and Brazil's grain crops are estimated at around 10 percent larger. On the other hand, unfavorable weather is cutting Australia's wheat harvest and Argentina's coarse grain crop.

1979/80 World Grain Output Down

Total world output of grains—coarse grains, wheat, and milled rice—is now expected to total 1.4 billion tons in the 1979/80 crop year, down more than 3 percent from the 1978/79 record. This estimate includes the 1979 fall harvest in the Northern Hemisphere and the current 1980 harvest in the Southern Hemisphere. Wheat accounted for a major share of the overall decline.

Although U.S. grain output rose almost a tenth to a record 297 million tons in 1979/80, production outside the United States dropped 7 percent. Sharply lower USSR grain output caused most of this overall decline, although many of the world's major grain-producing countries also had reduced output in 1979/80.

Prospects for 1980 Northern Hemisphere Crops Look Good

Now that the size of Southern Hemisphere grain crops is fairly well known, world price and market conditions will be increasingly influenced by crop developments elsewhere.

Weather conditions continue generally favorable for winter grains in the Northern Hemisphere. Crops are developing well in Western Europe. Eastern Europe expanded the area planted to grain, and weather has been better than last year. The USSR's winter grain area appears to have increased to a near-record 42 million hectares, and winterkill has been below average so far. Weather in North China has been dry as usual, but much of the winter wheat area there is irrigated.

In the United States, winter wheat is generally rated fair to good and is improving seasonally. Farmers boosted winter wheat acreage 10 percent last fall and have indicated plans to increase spring plantings of feed grains and wheat by 5 percent over last year.

Early-season indications point to larger world grain production in 1980/81. Although global rice area may rise 3 percent, little if any gain is likely for the area planted to wheat and coarse grains. The anticipated increase in wheat and coarse grain production is due mainly to the expected recovery of the USSR crop.

Weather conditions in coming months will still be the key to the final outcome of Northern Hemisphere grain crops. Planting of grains this spring is either just beginning or only several weeks away, and in various countries these crops make an important contribution to overall grain production. In the Soviet Union, spring grain crops account for two-thirds of total grain area, while in Canada they represent almost all the grain produced.

U.S. AGRICULTURAL EXPORTS REMAIN STRONG

Even though exports to the USSR will be substantially lower than forecast earlier in the crop year, increased shipments to Mexico, Brazil, China, and Spain appear likely to keep total agricultural exports near the level forecast in late 1979. Agricultural exports are likely to rise above \$37 billion in fiscal 1980, a record amount and well above the \$32 billion reported in fiscal 1979.

Exports of U.S. agricultural products in the first 4 months (October 1979-January 1980) of the current fiscal year leaped 34 percent from a year earlier to \$14.3 billion. This was due primarily to a 29-percent increase in export tonnage.

Agricultural imports rose 14 percent in value during the 4-month period to \$6.1 billion. This left the agricultural trade surplus at \$8.2 billion—55 percent larger than in the same period last fiscal year.

U.S. Exports

	October-January		October-September	
	1978/79	1979/80	1978/79	1979/80 ¹
	Bil. dollars			
Agricultural:	10.6	14.3	32.0	37.0
Grains and preparations	3.5	5.8	12.6	15.8
Oilseeds and Products	3.5	3.9	8.6	8.8
Cotton ²	.5	.9	1.9	2.6
Fruits, nuts, and vegetables ³	.8	1.1	2.2	2.8
Tobacco	.6	.5	1.3	1.3
Feeds and fodders	.2	.3	.8	.8
Other vegetable products	.3	.4	1.0	1.2
Animals and animal products	1.1	1.3	3.6	3.7
Nonagricultural:	41.4	52.3	135.5	163.0
Total	52.0	66.6	167.5	200.0

¹ Forecast. ² Including linters. ³ Including pulses.

During this period, the export value of grains and preparations totaled \$5.8 billion, up 66 percent from a year ago. Sharply higher unit values of wheat (up 30 percent to \$177 per ton) and corn (up 21 percent to \$125 per ton) fueled the rise. Feed grain exports to Mexico, Brazil, and Japan reached 7.4 million tons in the 4-month period, nearly double the year-earlier performance.

World and U.S. demand for feedstuffs continues strong, and export prospects for corn have improved substantially. The 1979/80 U.S. corn export estimate was recently boosted, and total feed grain exports are now expected to reach 69 million tons—15 percent above 1978/79. The higher estimate reflects decreased export availability from Argentina and growing world demand as importing countries seek new sources of grain in the face of strong competition from the USSR.

Exports of oilseeds and oilseed products were up 12 percent in October-January. Soybean export commitments (shipments plus outstanding sales) through late March were running 15 percent ahead of last year. Soybean exports to the Netherlands during October-January rose 16 percent in value over 1978/79 with commitments in late March of 5 million tons—significantly higher than the 4.1-4.2-million-ton average of the last 2 years. Crop shortfalls in Spain have contributed to increased demand for U.S. soybeans; Spain is already committed to buying 2.0 million tons from U.S.

farmers, compared with 1.5-1.6 million tons during the last 2 years.

With strong demand from China, Korea, and Japan, cotton exports have soared 73 percent in value to \$910 million so far this fiscal year. U.S. cotton export commitments of almost 2 million tons have already surpassed the current 1979/80 (August-July) estimate of 1.74 million tons, or 8 million 480-lb. bales.

Exports of fruits and preparations jumped 32 percent in value during October-January. After a disastrous 1978/79 season, raisin exports are back to normal levels, and apple exports have been strong. However, tobacco exports continue to falter, dropping 19 percent below a year ago.

Exports of vegetables and preparations in the first 4 months showed a 9-percent increase despite a 15-percent drop in exports of fresh vegetables. Significant gains in pulse exports to the United Kingdom and Mexico were recorded.

Led by poultry and dairy products, exports of animals and animal products increased 14 percent over a year earlier in October-January. Mexico has more than made up for India's shortfall in demand for nonfat dry milk. Although Japan imported 42 percent less poultry meat during the first 4 months of the fiscal year, exports to Argentina, Venezuela, Hong Kong, and Saudi Arabia more than picked up the slack.

Feed and fodder exports (other than oil-cake and meal) rose 52 percent in the 4-month period, with strong demand from the Netherlands and West Germany.

THE WORLD ECONOMY

The world economy was in better shape in the first quarter of 1980 than had been expected. The U.S. economy did not slide into a recession at the end of 1979, and U.S. import demand continued to provide some economic momentum for the rest of the world.

However, rapid inflation, higher interest rates, and increased oil prices will dampen real economic growth for our major trading partners during the rest of the year. Consequently, economic growth in 1980 is expected to slow in most countries, and in some cases turn negative.

Developed Countries

The 1980 growth rate for Japan is projected at 4.5 percent, down from 6 percent in 1979. This would be the lowest annual rate of the last two decades, except for the 1974-75 recession. A reversal in the source of economic growth is expected in 1980 as domestic consumer and capital spending retrench while export demand grows. Japan is experiencing rising wholesale and consumer prices, and the falling value of the yen against the dollar adds to import costs. In the external sector, Japan had an \$8.6 billion current account deficit (including merchandise trade, services, and transfers) in 1979, compared with a \$16.5-billion surplus in 1978. Despite a rise in expected export volume, another large deficit is expected in 1980.

Germany will probably have a slightly better growth rate than other European countries in 1980. However, an expected real growth rate of 2 percent—less than half the estimated 4.3 percent growth in 1979—will provide little increase in real incomes after allowing for population growth. In 1980, Germany will probably follow restrictive monetary and fiscal policies. A sharply reduced trade surplus is expected in 1980 as oil import costs—estimated at \$21 billion in 1979—rise at

Economic Indicators, Selected Countries and Regions

Country or region	Real GNP growth			Inflation rate		
	1978	1979 ¹	1980 ²	1978 ¹	1979 ¹	1980 ²
	Percent					
Japan	5.6	5.8	4.5	3.8	4.3	7.3
Canada	3.4	3.0	1.5	7.3	8.5	8.5
West Germany	3.5	4.3	2.0	2.6	4.3	5.0
United Kingdom	3.3	0	-1.7	8.3	12.3	15.4
Italy	2.6	4.2	1.7	12.1	14.8	16.3
France	3.3	2.8	1.8	9.3	10.8	11.8
OPEC countries	4.2	4.8	5.0	9.9	17.0	20.0
Non-OPEC developing countries	5.5	5.2	4.8	31.8	39.8	40.0

¹ Estimated, ² Preliminary.

least \$6 billion even with no volume increase. Germany's current account reversed from a huge surplus in 1978 to an estimated deficit of \$5 billion in 1979. For 1980, a \$12-billion deficit is anticipated.

Other European countries are expected to have low overall economic growth rates in 1980, with a decline in prospect for the United Kingdom. Industrial production levels in Europe are expected to decline during most of 1980, and trade volumes will increase only slightly over last year's levels.

Developing Countries

The developing countries as a group will also face reduced economic growth rates in 1980 as the oil-importing countries experience a huge rise in their trade and current account deficits. This financial squeeze will necessitate even higher levels of commercial borrowing, pushing up total external debt.

With oil prices having doubled from the end of 1978 to early 1980, prices increasing for other imports, and demand for their exports slowing down, the combined current account deficit of non-OPEC developing countries is forecast to jump to \$60 billion in 1980. To close this gap, the developing countries will either have to increase commercial borrowing beyond the \$30 billion estimated for 1979, draw down accumulated financial reserves, reduce imports, or resort to a combination of these measures.

Official aid flows to developing countries totaled roughly \$29 billion in 1979 and are expected to rise by only \$3 billion in 1980, compared with a deterioration in the current account deficit of \$13 to \$20 billion. Growth rates of both export and import volume in 1980 are likely to be

only half those of earlier years. In general, many developing countries will impose credit and import restrictions to cope with high inflation rates—running at 40 percent in 1979—and with oil import costs that may equal one-third of all export earnings.

Commercial credit terms have hardened, and bankers will be more selective in making loans. Thus, some countries will continue to have difficulty meeting financial commitments. Debt service payments for 1979 were estimated at \$33 billion and will be even higher in 1980.

Overall economic growth rates are expected to fall below 5 percent in 1980 for the oil-importing developing countries as a group. Last year, while the overall economic growth rate was estimated at 5 percent, at least 18 countries had negative or stagnant economic growth.

In contrast, the OPEC nations as a group may end up with a current account surplus of \$110 billion in 1980, following a \$65-billion surplus in 1979. Cautious government expenditure plans may change as the large oil revenues flow in, although the limited capacity of port facilities puts a restraint on import growth. Most of the surplus funds will probably continue to be invested in Eurocurrency deposits and directly in U.S. and British financial markets.

IMPACT OF DROUGHT ON INDIA'S TRADE

Last summer, much of India's Gangetic Plain suffered its worst drought in a century. The losses in reduced crop yields and farm animals are now being tallied. India's output of rice, coarse grains, sugar, and forage crops fell sharply because of the drought.

During the last 4 years, India became a net exporter of agricultural commodities, but the drought may force it to return to being a net food importer in 1981. Total agricultural imports by India declined from \$1.75 billion in 1975 to \$1.2 billion in 1978; they rose to about \$1.3 billion in 1979. Indian wheat imports dropped from 7 million tons in 1975 to only a token level in 1979, while striking gains in imports of vegetable oils during 1977-79 caused India to remain a large agricultural importer. Exports of Indian farm products increased steadily from \$1.4 billion in 1974 to \$2.1 billion in 1979. Wheat and rice were major export items in 1979, but grain exports may decline in 1980.

India's total agricultural production declined 8 percent in 1979, following increases of 6 percent in 1978 and 10 percent in 1977. Per capita food production was 4 percent below the 1969-71 level. The average Indian diet contained about 2,170 calories per day in 1979, or 7 percent above the level of 10 years ago. Nevertheless, the deficient diets of southern and eastern India have attracted more concern recently, millions of Indians in areas affected by drought will receive food through the Food For Work Program this year.

Relief Measures

Total food grain production in India during 1979/80 (July-June) is likely to range from 114 to 116 million tons, compared with the peak of 131.4 million in 1978/79. Total grain use is likely to remain near the 127 million tons recorded in 1978/79 because of recent changes in New Delhi's food policy. More consumers will get food without paying for it. Prices for basic items distributed through fair-price shops will remain the same as in 1979, although procurement prices paid by government agencies to farmers have increased. Financial losses by the Food Corporation of India may rise to \$1 billion in 1980—triple the 1978 level.

The success India has had in building up grain stocks may have created a more optimistic attitude about the country's current food situation than would have prevailed if private traders had remained important in food storage. The modern warehouses operated by the government have a very low rate of loss from rodents and insects. Since Government agencies can incur a loss in grain distribution, they have effectively eliminated many of the larger private grain traders.

Government grain stocks were estimated at about 17 million tons in February; however, consumers will not find large private stocks of grain if supplies become short this summer. A poor 1980 monsoon rainfall could trigger a big increase in purchases of wheat and rice at fair-price shops—resulting in a rapid depletion of government stocks.

India's official procurement price was \$3.71 a bushel in 1979, but the price for 1980 will approach \$4.00. Procurement of wheat reached 8 million tons in 1979, but higher open-market prices could cause a setback in government purchases this spring.

Poor soil moisture conditions delayed wheat planting by 3 to 4 weeks throughout much of India in November-December 1979. Crash irrigation programs were set up to improve prospects for the 1980 wheat harvest, requiring some sacrifice for the nonfarm sectors of India's economy. Farmers using electric irrigation pumps were given top priority for electricity, and some factories were closed.

The high priority given to irrigation plus favorable winter rainfall have greatly improved the outlook for the 1979/80 wheat crop. Estimates currently range from 32 to 33 million tons; while this is down from last season's record 35 million tons, it is far above the 25 to 28 million tons that had been estimated in November 1979.

U.S. Exports to India Increasing

U.S. agricultural exports to India declined 7 percent in 1979 to \$261 million—primarily because of a sharp drop in dry milk exports. U.S. exports of wheat to

India declined from 4 million tons in 1975 to less than 10,000 tons in 1979. However, our exports of bulgur wheat for relief agencies operating in India increased to about 300,000 tons in 1979, valued at nearly \$80 million.

An upswing in U.S. agricultural exports to India began in late 1979. During the 4 months ending in January 1980, they rose 61 percent to \$113 million. The value of these exports could rise to \$500 million in 1980—a gain of 53 percent over 1979 because of larger sales of soybean oil, tallow, bulgur wheat, and almonds. The value would be considerably higher if India purchases certain U.S. commodities in late 1980 that are not being imported in large volume at this time (wheat, pulses, tallow, or raisins).

India has \$8 billion in foreign exchange, partly related to large remittances from Indian workers in the Middle East and Europe. India's total exports reached \$7.5 billion in 1979, including \$1 billion to the United States. U.S. imports of India's farm products increased 26 percent to \$189 million. During 1978, the United States had a \$38 million trade deficit with India because of rising imports of diamonds, jewelry, and manufactured products.

Rising prices for some items may push total U.S. imports from India to \$1.3 billion in 1980. If India experienced another poor monsoon and imported U.S. wheat or rice this year, the United States might still have a slight deficit of trade with India. The value of trade now stands at about \$1 billion each way. Carpet backing, textiles, coffee, and cashew kernels are some of our leading imports from India. U.S. exports of airplanes and machinery to India were more important in 1979 than were agricultural goods.

Upcoming Foreign Agriculture Circulars

For those interested in the latest world agricultural developments, the series of circulars published by USDA's Foreign Agricultural Service (FAS) is a good source of information. Separate series are available on each major commodity, as well as a world crop production series—prepared jointly with ESCS—and a series on Soviet grain production and trade.

The following list gives the release dates of all Foreign Agriculture circulars through July, 1980. All circulars are cleared by the World Food and Agricultural Outlook and Situation Board.

April:

- 10 World Crop Production
Soviet Grain Production and Trade
- 14 World Grain Situation and Outlook
- 15 Quarterly Meat Outlook
- 17 World Oilseeds Situation and Outlook
- 18 World Cotton Situation
- 24 World Coffee Production and Trade

May:

- 9 World Crop Production
Soviet Grain Production and Trade
- 13 World Grain Situation and Outlook
- 16 World Oilseeds Situation and Outlook

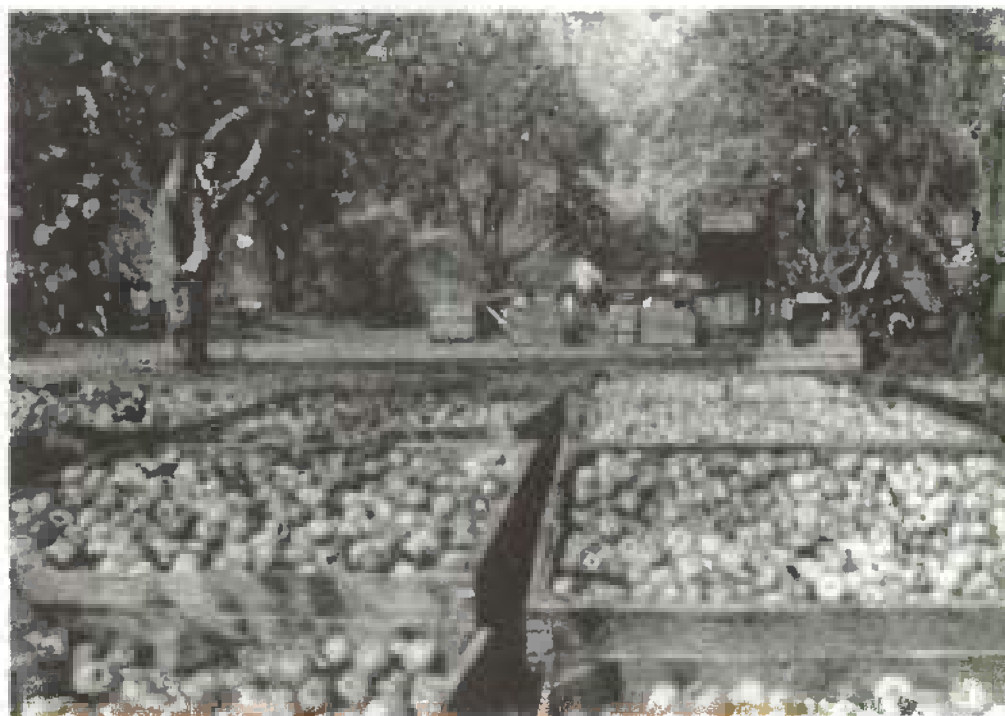
June:

- 11 World Crop Production
Soviet Grain Production and Trade
- 13 World Grain Situation and Outlook
- 16 World Sugar and Molasses Production
- 18 World Oilseeds Situation and Outlook
- 27 World Cigarette Production and Trade

July:

- 11 World Crop Production
Soviet Grain Production and Trade
- 15 World Grain Situation and Outlook
Quarterly Meat Outlook
- 18 World Tobacco Production
World Oilseeds Situation and Outlook
- 21 World Cotton Situation
- 25 World Tobacco Trade
World Coffee Production and Trade
World Poultry Production and Trade

Single copies of the above reports may be obtained by writing to: FAS Information Services, Room 5918 South Building, USDA, Washington, D.C. 20250.



Enlarging the European Community

Implications for World Trade of Fruits, Vegetables, and Nuts

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Greece, Portugal, and Spain may soon become members of the European Community (EC), substantially altering world agricultural trade.¹ Greece and the EC have already initialed an accession agreement, and full membership is anticipated by January 1981. Spain is currently negotiating with the EC and may be admitted by 1982 or 1983. Portugal has entered into formal negotiations with the EC but probably will not become a member until after an agreement with Spain has been largely worked out.

Thus, after a few years' transition period, the Community of Nine could be transformed into a Community of Twelve, with the commodities produced by Greece, Portugal, and Spain covered by the EC's Common Agricultural Policy (CAP).

Because of the politically determined higher producer prices, variable levies, and protective tariffs in the EC, production of some commodities is already greater than EC demand. As a result, consumer subsidies, export subsidies, and other methods have been devised to dispose of surplus supplies. With increased agricultural production resulting from EC enlargement, competition will

intensify among traditional agricultural exporters of certain commodities to the EC and other world markets.

The commodities most directly affected by EC enlargement will be fruits, vegetables, and nuts—with citrus, raisins, almonds, and fresh, preserved, and dehydrated vegetables of greatest concern.²

The EC is the largest regional importer of fresh fruits and vegetables in the non-Communist world, with West Germany, the United Kingdom, and France the largest country importers. As incomes continue to increase in the EC, demand for these products will also increase. In view of past EC policies, it is likely that various fruit, vegetable, and nut products that traditionally entered the EC market from some countries will be increasingly displaced by exports from Greece, Portugal, and Spain. Countries displaced from such trade to the EC will be forced to enter non-EC markets in competition, not only with one another, but possibly with surplus production from the EC.

Citrus

Spain is by far the largest supplier of citrus to the EC, accounting for over 90 percent of the total citrus exported to the EC by the three acceding countries.³ Over the past decade, Spanish citrus exports to the EC have comprised mainly oranges and tangerines, with lemon exports gaining rapidly in

the last few years. Spain's grapefruit production and exports to the EC are small and are not likely to increase significantly.

Spain has increased its share of EC citrus imports and apparently will continue to do so, especially since EC membership will enhance its export position. During 1968-70 Spain accounted for 40 percent of EC imports of oranges and tangerines and 50 percent in 1975-77. The EC took 90 percent of all oranges and tangerines exported from Spain in 1977 and 65 percent of all its lemon exports.

Under the current preferential trade agreement with the EC, the Common Market tariff duty on oranges from Spain ranges from 7.8 to 2.4 percent during April 1-October 15; otherwise the duty is 12 percent. The EC tariff on Spanish tangerines is 12 percent throughout the year. U.S. orange exports to the EC are subject to a declining scale of tariffs ranging from 13 to 4 percent from April 1 to October 15 and 20 percent for the remainder of the year. U.S. tangerine exports to the EC are subject to a 20 percent year-round tariff. U.S. lemon exports to the EC are subject to a year-round 8 percent tariff, while Spain's lemon exports are subject to a 4.8 percent tariff. Greece, as an associate member of the EC, has been exempted from the common external tariff.

Even though EC import duties for citrus have been lower for other Mediterranean producers (Morocco, Tunisia, Algeria, Cyprus, Turkey, Israel, Egypt, and Lebanon), Spain has been able to increase its share of EC citrus imports. When Spain is a full member of the EC, its exports will no longer be subject to EC import duties and would thus tend to increase, although reference prices will probably be honored during the transition period. Consequently, Spanish citrus exports will tend to displace exports of other countries to the EC. The degree of displacement will depend on Spain's ability to increase production of the preferred citrus varieties. Because this will require time, no displacement may take place in the short run.

¹ See the November 1979 issue of *Agricultural Outlook* for an overview article on EC enlargement.

² Substitution effects among and between these commodities are not analyzed. The degree of substitutability will depend on product prices and regional taste preference.

³ See accompanying table for export figures. All figures in this article are from United Nations Trade Data except where otherwise cited.

According to Spanish citrus experts, it is unlikely that Spain will be able to expand production of oranges and tangerines for the EC market in the immediate future. However, if the tristeza orange disease in the Valencia region can be controlled, the quantity and quality of orange production will probably increase. In addition, production of oranges in the Seville region of Spain may be enhanced as growers have been adopting new methods that should improve yields.

Lemon production has been expanding rapidly in Spain in recent years, and exports are forecast to reach 300,000 metric tons in the next few years—more than triple the level of 10 years ago. Production will probably continue to increase, presenting even more competition for exports of lemons to the EC once Spain becomes a full member.

The seasonal nature of Mediterranean citrus production has limited orange exports by the three acceding countries to the fall, winter, and spring markets. To some extent, this seasonal factor mitigates the possible displacement of current U.S. and South African exports of oranges and tangerines from the EC summer market. Nevertheless, increased Spanish citrus production could displace third country exports to the EC in the other seasons, creating more intense competition for the remaining world markets. Increased planting of late-season varieties in some Mediterranean countries may also contribute to increased competition in the summer market.

Vegetables

Greece, Portugal, and Spain have maintained an aggregate share of 11 to 12 percent of the EC vegetable import market during the past 10 years, with Spain accounting for about 80 percent of the total.

To protect the production and price of fresh vegetables in individual EC countries, the Community selectively restricts imports by reference prices or tariffs according to internal supply and demand factors. This policy has not met with total success owing to the sheer number and varying quality of products and the vast administrative network necessary to control the markets. However, increased coverage continues as the CAP is extended to more vegetable products every year.

Spain exports a large amount of fresh vegetables to the EC throughout the year—\$224 million worth in 1978. Greece also exports a significant amount to the EC—valued at \$49 million in 1978. Although Portugal does not export many fresh vegetables, it shipped \$12 million worth of preserved vegetables to the EC in 1978 (almost all canned tomatoes).

The composition of U.S. vegetable trade generally depends on the variability of EC production and on seasonal factors, especially for fresh vegetables. With the addition of the three acceding countries, some U.S. vegetable exports to the EC will have to be shifted to other markets. Since this will also be the case for other traditional exporters of vegetables to the EC, increased competition for the remaining world markets seems inevitable.

Tree nuts

The United States increased its share of the EC import market for edible tree nuts from around 7 percent during 1968-70 to roughly 22 percent in 1975-77. Almonds account for about three-fourths of the total value; walnuts, filberts, and pecans make up the rest.

Except for 1972 and 1973, Spain has lost ground to the United States in the EC edible

nut market; it currently holds about 10 percent. In 1978, the United States exported \$156 million in edible tree nuts to the EC, with \$121 million in almonds.⁴ During the same year, Spanish exports totaled \$75 million, with almonds making up about two-thirds of the total. Portugal is a minor supplier, exporting only \$6 million worth to the EC in 1978.

Future changes in the EC's trading pattern for tree nuts will depend largely on Spain's ability to increase its almond production. Some areas in the south and northeast of Spain have recently been planted to almond trees, and a modern drip-irrigation system is being used to increase production.

However, Spanish almond production is subject to considerable variation due to early frosts, uncontrolled planting of trees by small producers, and a disorganized marketing system. Further complications arise when one considers consumer preferences in the individual EC countries, the price differential between Spanish and U.S. almonds, the quality of almonds from year to year, and the increased demand worldwide for almonds. The EC tariff now in effect for almond imports is 7 percent for all countries. Once in the EC, Spain will be exempt from this tariff.

Raisins

Greece is the principal supplier of raisins to the EC and has generally maintained about 40 percent of the market for the past 10 years. The United States has captured around 10 percent of the EC raisin import market, exporting an average of \$14 million worth during 1975-77. Greek exports for the

⁴Source: Foreign Agricultural Trade of the United States (FATUS), ESCS, Washington, D.C.

Fruits, Vegetables, and Nut Exports To The EC of Greece, Portugal, Spain and the United States 1968-77
(\$US Millions)

Year	fruits and vegetables				oranges and tangerines		lemons and grapefruit		edible nuts		vegetables		raisins		
	Spain	United States	Greece	Portugal	Spain	United States	Spain	United States	Spain	United States	Spain	United States	Greece	United States	Greece
1968 . .	224	104	57	21	87	3	3	12	25	3	41	26	5	6	25
1969 . .	229	136	71	22	93	15	2	10	29	12	40	30	4	7	31
1970 . .	320	159	79	24	146	11	8	12	22	24	62	33	7	7	25
1971 . .	325	156	85	23	130	9	6	12	30	28	67	35	6	8	23
1972 . .	414	182	112	32	165	8	6	15	56	35	80	36	6	8	27
1973 . .	551	245	185	49	221	8	18	20	75	44	84	58	9	10	50
1974 . .	574	261	217	55	240	10	21	20	47	71	86	59	13	16	60
1975 . .	778	293	274	22	323	26	29	26	49	71	163	49	22	12	47
1976 . .	778	421	261	27	293	21	36	32	49	83	161	103	49	14	49
1977 . .	821	397	350	37	290	17	46	28	45	94	188	66	48	16	70

same period averaged about \$55 million. The EC takes nearly 60 percent of Greece's total raisin exports, compared with about one-fourth of total U.S. raisin exports.

Raisins from Greece enter the EC duty free, while U.S. raisins are subject to a 4 percent tariff. More important than the tariff, however, is the question of whether Greek producers will improve their processing technology and/or lobby successfully for EC protection. In either case, it would be most likely that Greece would marginally improve its market share.

Other Considerations

The EC grants trade concessions to many countries, including the 57 African, Caribbean, and Pacific (ACP) countries, and is a member of the General Agreement on Tariffs and Trade (GATT). Because of the magnitude of current EC member-country trade in citrus fruits, nuts, and vegetables and Spain's apparent capacity to expand production of these commodities, a relatively long transition period will probably be required once Spain joins the EC to allow EC suppliers time to adjust to increased competition within the EC and to develop alternative markets. The EC-9 is currently trying to restructure its own production of fruits, vegetables, and wine in southern France and southern Italy—the areas of the EC-9 that will be most directly affected by Community membership of Greece, Spain, and Portugal.

Once Greece, Portugal, and Spain are EC members, the movement of labor and capital likely will alter their agricultural production. Current EC members probably will increase their investment in production and processing facilities for citrus fruits and vegetables in the acceding countries. In fact, Holland is already financing some vegetable production facilities in Spain.

The new members will also be eligible to request funds from the European Development Fund (EDF) and the European Agricultural Guidance and Guarantee Fund (EAGGF). Although the current budget problem in the CAP is serious, it is not expected to affect fruits and vegetables greatly because of the minuscule amount of funds allocated to these commodities relative to dairy products. EDF funds can be used for a variety of purposes, including improvement of the general economic infrastructure.

Funds under the guidance section of the EAGGF are available to alleviate economic distress in the agricultural sector—generally through projects to improve structural efficiency. Effective use of these funds should lead to increased productivity and higher incomes for farmers in the acceding countries. Because Spain, Portugal, and Greece have a comparative advantage—relative to the EC-9 countries—in the production of fruits, nuts, and vegetables, it is likely that many of the funds will be used to take advantage of this potential.

Summary

It is impossible to forecast precisely the effect the accession of Spain, Greece, and Portugal will have on world trade of fruits, vegetables, and nuts. However, some tentative conclusions can be made. EC membership will likely advance standards of living and levels of employment in the three countries, while the EC becomes more self-sufficient agriculturally.

Many EC economists believe that membership of the three countries will increase their agricultural productivity. Moreover, in the long run, supplies of citrus fruit, vegetables, and nuts from Greece, Spain, and Portugal likely will outpace the growth of demand within an expanded EC. This development would not only displace third-country trade in these products with the EC, but would lead to direct competition with the EC in other world markets for exports of these products.



Recent Publications

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Foreign Ownership of U.S. Agricultural Land. AER-447.

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Developments in Marketing Spreads for Food Products in 1979. AER-449.

Structural Characteristics of Beef Cattle Raising in the United States. AER-450.

The U.S. Food and Tobacco Manufacturing Industries: Market Structure, Structural Change, and Economic Performance. AER-451.

Evaluation of Pesticide Supplies and Demand for 1980. AER-454.

Milk Processor Sales, Costs, and Margins. ESCS-77.

Patterns of Meat Distribution: A Case Study of St. Louis. ESCS-80.

Selected Agricultural Statistics on Spain, 1965-76. SB-630.

U.S. Fats and Oils Statistics 1963-78. SB-631.

Statistical Indicators

Summary Data

Key Statistical Indicators of the Food and Fiber Sector

	1976	1977	1978	1979					1980		
	Annual	Annual	Annual	I	II	III	IV	Annual ⁶	I	II	III
									Forecast		
Prices received by farmers (1967=100)	186	183	210	240	245	241	237	241	238	242	246
Livestock and products (1967=100)	177	175	217	263	265	248	252	257	254	259	263
Crops (1967=100)	197	192	203	213	222	233	222	223	220	224	227
Prices paid by farmers, all items (1967=100)	191	202	219	239	248	253	258	250	271	279	—
Production items (1967=100) ¹	198	208	226	251	260	263	267	261	283	292	—
Farm production (1967=100)	117	121	121	—	—	—	—	129	—	—	—
Livestock and products (1967=100)	105	106	106	—	—	—	—	107	—	—	—
Crops (1967=100)	121	130	131	—	—	—	—	144	—	—	—
Farm income ²											
Cash receipts (\$ bil.)	94.5	95.7	111.0	129.2	129.1	127.2	130.4	128.9	132.9	132.4	—
Livestock (\$ bil.)	46.2	47.4	59.0	69.8	67.8	65.2	66.2	67.2	68.3	66.8	—
Crops (\$ bil.)	48.3	48.2	52.1	59.4	61.3	62.0	64.2	61.7	64.6	65.6	—
Total gross farm income (\$ bil.) ³	104.1	108.5	126.0	145.2	146.2	145.0	150.6	146.7	151.0	149.6	—
Production expenses (\$ bil.)	83.0	88.8	98.1	109.2	112.2	115.2	118.2	113.7	122.6	126.9	—
Net farm income (\$ bil.)	21.1	19.8	27.9	36.0	34.0	29.8	32.4	33.0	28.4	22.7	—
Market basket:											
Retail cost (1967=100)	175.4	179.2	199.4	217.4	223.8	224.3	225.3	222.7	231	236	243
Farm value (1967=100)	177.8	178.1	208.0	237.6	236.2	227.3	227.6	231.8	230	234	241
Spread (1967=100)	174.0	180.0	194.1	205.2	216.3	222.5	223.9	217.2	232	239	245
Farm value/retail cost (%)	38	38	39	41	40	38	38	39	38	37	38
Retail prices:											
Food (1967=100)	180.8	192.2	211.4	227.5	234.0	236.8	239.7	234.5	245	252	259
At home (1967=100)	179.5	190.2	210.2	227.0	233.1	234.7	236.7	232.9	242	249	256
Away-from home (1967=100)	186.1	200.3	218.4	233.2	240.7	246.3	251.4	242.9	258	264	270
Per capita food use (1967=100)	105.3	104.6	104.5	—	—	—	—	104.2	—	—	—
Animal products (1967=100) ⁴	103.6	103.0	102.2	99.9	99.7	101.1	105.0	101.4	100.7	101.2	102.3
Crop products (1967=100)	107.2	106.3	106.9	—	—	—	—	106.3	—	—	—
Agricultural exports (\$ bil.) ⁵	22.8	24.0	27.3	8.2	7.7	7.9	8.2	32.0	11.0	9.8	9.5
Agricultural imports (\$ bil.) ⁵	10.5	13.4	13.9	3.9	4.1	4.4	3.8	16.2	4.4	4.7	4.8

¹ Including interest, wages, and taxes. ² Quarterly data are seasonally adjusted at annual rates. ³ Includes net change in farm inventories. ⁴ Quarterly data exclude fish products. ⁵ Annual and quarterly data are based on Oct.-Sept. fiscal years ending with indicated years; quarters indicated refer to fiscal year quarters, not calendar year quarters, i.e., I 1979 means Oct.-Dec. 1978, II 1979 means Jan.-Mar. 1979, etc. ⁶ Preliminary.

Farm Income

Gross and net farm income¹

	Annual			1977		1978				1979				1980
	1977	1978	1979	III	IV	I	II	III	IV	I	II	III	IVp	Ip
	\$ Bil.													
Cash receipts from farm marketings	95.7	111.0	128.9	92.1	99.9	106.2	111.0	109.0	118.0	129.2	129.1	127.2	130.4	132.9
Livestock and products	47.4	59.0	67.2	47.1	50.6	53.9	58.3	60.4	63.4	69.8	67.8	65.2	66.2	68.3
Crops	48.2	52.1	61.7	44.9	49.4	52.4	52.7	48.6	54.6	59.4	61.3	62.0	64.2	64.6
Net change in farm inventories	1.1	1.1	4.4	2.0	2.2	1.0	.5	1.5	1.2	3.0	3.5	4.5	6.5	3.0
Nonmoney and other farm income ²	11.8	13.8	13.4	11.3	15.1	13.6	13.3	13.2	15.4	13.0	13.6	13.3	13.7	15.1
Gross farm income	108.5	126.0	146.7	105.4	117.2	120.8	124.8	123.7	134.6	145.2	146.2	145.0	150.6	151.0
Farm production expenses	88.8	98.1	113.7	88.5	92.4	95.0	97.0	97.4	103.0	109.2	112.2	115.2	118.2	122.6
Net farm income														
Current prices	19.8	27.9	33.0	16.9	24.8	25.8	27.8	26.3	31.6	36.0	34.0	29.8	32.4	28.4
1967 Prices ³	10.9	14.3	15.2	9.2	13.4	13.7	14.4	13.3	15.7	17.4	15.9	13.5	14.2	12.4

¹ Quarterly data are seasonally adjusted at annual rates. ² Includes government payments to farmers, value of farm products consumed in farm households, rental value of farm dwellings, and income from recreation, machine hire, and custom work. ³ Deflated by the consumer price index for all items, 1967=100. p. Preliminary.

Cash receipts from farming

	Annual			1979						1980
	1977	1978	1979p	Jan	Aug	Sept	Oct	Nov	Dec	Jan
	\$ Mil.									
Farm marketings and CCC loans ¹	95,654	111,042	128,941	11,146	10,529	11,036	14,880	13,762	11,217	11,760
Livestock and products	47,432	58,991	67,259	5,701	5,322	5,361	6,355	5,693	5,127	5,665
Meat animals	27,842	37,373	42,660	3,708	3,259	3,322	4,310	3,600	2,980	3,616
Dairy products	11,752	12,724	14,512	1,185	1,210	1,197	1,222	1,201	1,280	1,298
Poultry and eggs	7,226	8,152	9,331	761	783	770	754	831	808	705
Other	612	742	756	47	70	72	69	61	59	46
Crops	48,222	52,051	61,682	5,445	5,207	5,675	8,525	8,069	6,090	6,095
Food grains	6,041	5,927	8,123	472	995	843	881	756	721	494
Feed crops	11,885	10,871	14,313	1,494	1,402	1,236	1,731	2,219	1,578	1,771
Cotton (lint and seed)	3,470	3,429	4,003	557	153	267	635	887	888	747
Tobacco	2,331	2,549	2,253	265	527	458	230	279	202	277
Oil-bearing crops	9,537	11,987	14,696	1,443	714	1,005	3,070	1,835	1,045	1,683
Vegetables and melons	5,659	6,083	6,364	429	576	761	701	474	383	383
Fruits and tree nuts	4,341	5,451	6,112	397	450	599	655	788	612	346
Other	4,958	5,754	5,818	388	390	506	622	831	661	394
Government payments	1,819	3,030	1,912	125	72	84	92	68	831	55
Total cash receipts ²	97,473	114,072	130,853	11,271	10,601	11,120	14,972	13,830	12,048	11,815

¹ Receipts from loans represent value of loans minus value of redemptions during the month. ² Details may not add because of rounding.

Farm marketing indexes (physical volume)

	Annual			1979						1980
	1977	1978	1979p	Jan	Aug	Sept	Oct	Nov	Dec	Jan
	1967=100									
All commodities	123	123	126	138	101	103	148	124	99	113
Livestock and products	112	115	109	112	93	88	106	92	81	92
Crops	138	135	152	165	113	123	205	169	125	142

Cash receipts¹ from farm marketings, by States, January

State	Livestock and Products		Crops ²		Total ³	
	1979	1980	1979	1980	1979	1980
\$ Mil.						
NORTH ATLANTIC						
Maine	28.7	25.4	12.2	14.5	40.9	39.9
New Hampshire	5.2	5.1	2.0	2.3	7.2	7.4
Vermont	27.6	28.8	1.2	1.4	28.8	30.2
Massachusetts	10.5	10.9	14.5	17.3	25.0	28.2
Rhode Island	1.1	1.1	1.3	1.3	2.4	2.4
Connecticut	15.1	14.6	29.7	30.6	44.8	45.1
New York	138.9	135.9	41.9	47.8	180.8	183.7
New Jersey	9.1	10.0	13.6	13.8	22.7	23.8
Pennsylvania	152.7	160.4	66.2	81.5	218.9	241.9
NORTH CENTRAL						
Ohio	113.7	125.8	185.4	192.2	299.1	318.0
Indiana	151.7	145.4	243.7	251.0	395.4	396.4
Illinois	196.7	193.9	549.0	629.2	745.7	823.1
Michigan	96.8	102.0	81.2	88.1	178.0	190.1
Wisconsin	286.8	290.9	55.8	56.0	342.6	346.9
Minnesota	252.7	260.3	193.0	190.5	445.7	450.8
Iowa	505.6	492.8	536.5	656.6	1,042.1	1,049.4
Missouri	212.9	207.7	154.4	218.2	367.4	425.9
North Dakota	73.8	71.2	103.1	110.3	176.9	181.5
South Dakota	197.9	191.5	44.0	47.2	241.9	238.7
Nebraska	293.9	289.1	201.7	307.1	495.6	596.2
Kansas	306.1	296.9	167.4	148.9	473.5	445.8
SOUTHERN						
Delaware	20.3	20.2	3.7	3.7	24.0	23.9
Maryland	48.6	50.1	14.1	14.7	62.7	64.9
Virginia	60.9	62.3	33.1	39.3	94.0	101.6
West Virginia	9.4	8.9	6.7	6.2	16.1	15.1
North Carolina	121.1	117.9	68.4	64.0	189.5	181.9
South Carolina	43.7	41.5	28.8	35.5	72.5	77.0
Georgia	154.3	141.6	36.5	67.2	190.8	208.7
Florida	78.2	83.7	404.5	348.2	482.7	431.9
Kentucky	66.5	68.1	229.2	246.1	295.7	314.3
Tennessee	92.2	90.9	50.9	62.9	143.1	153.8
Alabama	122.8	117.4	34.6	58.6	157.4	176.0
Mississippi	73.3	74.1	124.5	151.6	197.8	225.7
Arkansas	129.5	110.6	180.9	240.0	310.4	350.6
Louisiana	44.9	45.7	96.3	113.2	141.2	158.9
Oklahoma	169.8	165.8	102.2	161.4	272.0	327.2
Texas	443.9	440.8	431.0	502.3	874.9	943.1
WESTERN						
Montana	47.6	46.2	62.9	43.7	110.5	89.9
Idaho	61.8	60.6	62.4	59.6	124.2	120.2
Wyoming	29.4	24.6	6.9	6.5	36.3	31.1
Colorado	204.0	213.1	67.7	68.6	261.7	281.7
New Mexico	45.2	44.8	19.1	19.5	64.3	64.3
Arizona	67.0	68.4	112.4	127.0	179.4	195.4
Utah	33.0	33.3	9.5	7.7	42.4	41.0
Nevada	12.4	12.5	4.8	5.3	17.2	17.8
Washington	56.9	54.8	109.7	109.2	166.5	164.0
Oregon	46.4	42.2	54.8	49.9	101.2	92.1
California	333.5	358.1	375.2	450.4	708.7	808.5
Alaska3	.3	.4	.4	.7	.7
Hawaii	6.7	7.0	26.5	26.5	33.2	33.5
UNITED STATES	5,700.8	5,665.2	5,445.2	6,095.4	11,146.0	11,760.6

¹ Estimates as of the first of current month. ² Sales of farm products include receipts from loans reported minus value of redemptions during the period. Rounded data may not add.

Farm Production¹

Items	1971	1972	1973	1974	1975	1976	1977	1978	1979 ²
	1967=100								
Farm output	110	110	112	106	114	117	121	121	129
All livestock products ³	106	107	105	106	101	105	106	106	107
Meat animals	109	109	108	110	102	105	105	104	103
Dairy products	101	102	98	99	98	103	105	104	106
Poultry and eggs	106	109	106	106	103	110	112	118	126
All crops ⁴	112	113	119	110	121	121	130	131	144
Feed grains	116	112	115	93	114	120	126	135	145
Hay and forage	105	104	109	104	108	102	107	115	117
Food grains	107	102	114	120	142	141	132	123	143
Sugar crops	116	127	112	104	130	128	116	116	110
Cotton	145	187	175	158	112	142	191	146	200
Tobacco	86	88	88	101	110	108	98	103	79
Oil crops	121	131	155	127	153	132	175	183	219
Cropland used for crops	100	98	103	106	108	109	111	108	111
Crop production per acre	112	115	116	104	112	111	117	121	130

¹ For historical data and explanation of indexes, see *Changes in Farm Production and Efficiency*, USDA Statistical Bulletin 628. ² Preliminary indexes for 1979 based on January 1980 *Crop Production* report and other releases of the Crop Reporting Board, ESCS. ³ Gross livestock production includes minor livestock products not included in the separate groups shown. It cannot be added to gross crop production to compute farm output. ⁴ Gross crop production includes some miscellaneous crops not in the separate groups shown. It cannot be added to gross livestock production to compute farm output.

Farm Prices: Received and Paid

Indexes of prices received and paid by farmers, U.S. average

	Annual			1979					1980	
	1977	1978	1979 ^p	Feb	Sept	Oct	Nov	Dec	Jan	Feb p
	1967=100									
Prices Received										
All farm products	183	210	241	241	241	236	238	238	236	238
All crops	192	203	223	216	226	224	223	219	220	219
Food grains	156	191	229	195	252	260	256	247	245	249
Feed grains and hay	181	184	207	190	220	213	206	211	216	211
Feed grains	174	181	206	187	216	208	200	205	211	206
Cotton	270	245	258	247	255	273	271	266	266	274
Tobacco	175	191	207	203	214	206	216	218	216	214
Oil-bearing crops	243	226	249	253	248	233	231	229	233	225
Fruit	163	226	236	231	220	228	225	197	192	202
Fresh market ¹	163	236	245	239	226	235	232	197	190	203
Commercial vegetables	176	188	194	247	171	176	190	183	176	171
Fresh market	197	213	216	299	181	189	212	199	190	182
Potatoes ²	194	203	178	160	173	171	181	190	198	193
Livestock and products	175	217	257	264	255	248	251	256	252	256
Meat animals	168	226	279	288	277	266	263	269	265	276
Dairy products	193	210	239	236	246	250	256	254	254	254
Poultry and eggs	174	185	191	205	177	167	189	202	192	176
Prices paid										
Commodities and services, interest, taxes, and wage rates	202	219	250	239	255	257	257	260	269	271
Production items	200	217	248	236	254	256	256	258	263	266
Feed	186	183	204	193	211	211	207	212	212	210
Feeder livestock	158	221	293	287	290	288	289	290	294	302
Interest payable per acre on farm real estate debt ..	331	396	501	501	487	487	501	501	627	627
Taxes on farm real estate	195	207	226	226	221	221	226	226	244	244
Wage rates (seasonally adjusted)	226	242	265	257	266	268	268	269	284	284
Production items, interest, taxes, and wage rates ..	208	227	261	250	264	266	267	270	281	283
Prices received (1910-14=100)	457	525	602	603	602	591	594	595	591	596
Prices paid, etc. (Parity index) (1910-14=100)	687	744	849	812	866	874	875	883	913	922
Parity ratio ³	66	70	71	74	70	68	68	67	66	66

¹ Fresh market for noncitrus and fresh market and processing for citrus. ² Includes sweetpotatoes and dry edible beans. ³ Ratio of index of prices received to index of prices paid, taxes, and wage rates. p. Preliminary.

Prices received by farmers, U.S. average

	Annual*			1979					1980	
	1977	1978	1979p	Feb	Sept	Oct	Nov	Dec	Jan	Feb
Crops										
All wheat (\$/bu.)	2.29	2.82	3.51	2.99	3.87	3.98	3.94	3.80	3.74	3.75
Rice, rough (\$/cwt.)	7.94	9.29	9.05	7.87	9.81	10.30	9.80	9.41	9.88	11.10
Corn (\$/bu.)	2.03	2.10	2.36	2.18	2.51	2.41	2.27	2.38	2.45	2.36
Sorghum (\$/cwt.)	3.11	3.43	3.91	3.55	4.24	3.90	3.99	3.90	4.01	4.14
All hay, baled (\$/ton)	57.10	49.90	56.30	50.70	58.80	60.50	59.90	60.50	60.20	60.80
Soybeans (\$/bu.)	6.82	6.28	6.86	6.99	6.81	6.35	6.30	6.27	6.39	6.14
Cotton, Upland (cts./lb.)	60.5	55.2	58.0	55.6	56.8	61.3	61.0	59.9	59.8	61.7
Potatoes (\$/cwt.)	3.90	3.87	3.18	2.77	3.27	3.17	3.37	3.40	3.53	3.32
Dry edible beans (\$/cwt.)	17.60	18.60	19.60	18.10	19.50	20.40	20.80	23.30	24.60	25.00
Apples for fresh use (cts./lb.)	12.0	16.4	14.3	13.9	15.8	13.4	14.0	14.8	14.3	14.7
Pears for fresh use (\$/ton)	145	332	322	222	241	251	252	273	274	326
Oranges, all uses (\$/box) ¹	2.94	4.67	4.67	5.10	3.52	4.20	4.76	3.18	3.09	3.38
Grapefruit, all uses (\$/box) ¹	1.67	2.43	3.52	1.73	3.49	4.36	3.02	3.16	2.89	2.80
Livestock										
Beef cattle (\$/cwt.)	34.50	48.50	66.10	64.10	66.90	65.10	64.20	64.70	63.90	66.80
Calves (\$/cwt.)	36.80	58.40	88.60	85.50	91.60	86.70	85.10	84.40	85.60	91.80
Hogs (\$/cwt.)	40.10	47.10	41.40	52.80	37.50	34.00	34.40	37.50	36.30	37.20
Lambs (\$/cwt.)	51.40	62.80	67.10	71.80	67.00	65.40	64.70	66.30	66.50	63.10
All milk, sold to plants (\$/cwt.)	9.71	10.60	12.00	11.90	12.40	12.60	12.90	12.80	12.80	12.80
Milk, manuf. grade (\$/cwt.)	8.71	9.71	11.10	10.80	11.40	11.60	11.70	11.80	11.80	11.70
Broilers (cts./lb.)	23.5	26.4	25.9	28.9	23.4	21.1	24.6	25.2	27.2	25.4
Eggs (cts./doz.) ²	54.1	52.7	57.6	60.1	54.8	52.2	57.4	63.8	56.8	50.8
Turkeys (cts./lb.)	34.8	42.0	42.4	45.1	38.1	40.1	45.8	46.8	38.5	36.3
Wool (cts./lb.) ³	71.4	74.2	83.4	77.0	80.2	89.6	90.2	82.1	83.6	82.3

¹ Equivalent on-tree returns. ² Average of all eggs sold by farmers, including hatching eggs and eggs sold at retail. ³ Average local market price, excluding incentive payments. * Calendar Year averages. p Preliminary.

Producer and Retail Prices

Consumer Price Index for all urban consumers, U.S. average (not seasonally adjusted)*

	Annual	1979							1980	
	1979	Feb	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb
1967=100										
Consumer Price Index, all items	217.4	207.1	218.9	221.1	223.4	225.4	227.5	229.9	233.2	236.4
Consumer price index, less food	213.0	201.8	214.2	216.9	219.6	221.8	224.1	226.4	229.9	233.5
All food	234.5	228.2	236.9	236.3	237.1	238.2	239.1	241.7	243.8	244.9
Food away from home	242.9	233.4	244.9	246.5	247.6	249.6	251.3	253.4	256.1	258.3
Food at home	232.9	228.0	235.5	233.9	234.7	235.4	236.0	238.7	240.6	241.3
Meats ¹	241.9	238.6	248.0	237.8	238.1	238.6	237.4	242.3	244.1	244.1
Beef and veal	255.8	243.4	266.4	251.9	254.2	256.2	255.5	262.2	264.6	266.2
Pork	216.4	232.3	215.1	207.4	206.5	204.3	201.0	205.0	206.4	202.8
Poultry	181.5	185.8	186.2	177.1	174.8	170.3	171.6	176.2	187.8	182.6
Fish	302.3	293.0	304.3	306.5	309.7	311.5	312.2	312.6	316.7	320.4
Eggs	172.8	182.1	165.8	161.8	170.7	161.3	170.1	185.9	178.2	157.2
Dairy products ²	207.1	200.6	206.3	208.6	211.3	213.3	216.0	216.9	218.4	219.6
Fats and oils ³	226.3	219.2	227.4	228.9	231.5	231.9	232.3	233.0	233.9	235.9
Fruits and vegetables	230.0	226.5	238.1	237.8	231.8	232.0	229.5	230.2	229.8	228.3
Fresh	235.0	232.7	249.4	247.5	234.7	235.5	230.1	230.1	227.2	223.1
Processed	226.6	221.6	227.8	229.2	230.6	230.1	231.0	232.3	234.7	236.2
Cereals and bakery products	220.1	212.2	220.1	223.7	225.6	227.0	228.7	231.6	234.2	236.8
Sugar and sweets	277.6	270.2	279.4	281.0	282.0	283.1	283.2	284.6	289.8	297.5
Beverages, nonalcoholic	357.8	347.8	354.6	361.8	367.7	372.1	374.3	375.4	378.5	384.5
Apparel commodities less footwear	158.5	154.1	155.6	157.7	161.5	162.3	162.9	163.0	161.1	161.8
Footwear	176.7	168.9	176.6	177.5	180.1	182.6	183.8	184.3	183.7	184.6
Tobacco products	187.9	185.2	186.8	189.9	190.9	191.3	191.5	192.1	196.7	198.1
Beverages, alcoholic	172.4	167.7	172.7	173.3	174.2	176.0	177.4	176.0	179.3	180.4

¹ Beef, veal, lamb, pork, and processed meat. ² Includes butter. ³ Excludes butter.

Producer Price Indexes, U.S. average (not seasonally adjusted)

	Annual			1979					1980	
	1977	1978	1979p	Feb	Sept	Oct	Nov	Dec	Jan	Feb
	1967=100									
Finished goods ¹	180.6	194.6	215.9	207.7	220.7	224.2	225.9	227.8	232.1	235.4
Consumer foods	189.1	206.8	226.3	225.1	228.1	226.7	230.5	232.0	231.4	231.6
Fruits and vegetables ²	192.2	216.5	229.0	263.0	208.2	217.8	216.4	210.5	218.9	220.5
Eggs	162.0	158.6	176.5	176.7	175.4	155.9	178.7	198.4	165.6	150.4
Bakery products	186.5	201.3	221.4	214.3	227.8	228.8	231.0	234.4	237.8	241.5
Meats	170.7	209.6	233.8	240.8	232.7	226.4	229.7	233.7	229.4	231.0
Beef and veal	157.5	202.2	252.2	243.1	257.4	249.8	258.4	256.5	252.9	260.7
Pork	190.1	219.1	205.0	239.6	196.8	188.2	188.1	201.1	190.5	185.5
Poultry	173.3	194.0	188.6	206.1	172.6	164.6	190.0	190.3	187.5	179.5
Fish	294.3	313.0	383.8	371.0	390.4	397.3	391.5	392.2	397.7	394.1
Dairy products	173.4	188.4	211.2	203.2	218.3	218.2	219.0	219.6	221.4	221.2
Processed fruits and vegetables	187.3	202.6	221.9	219.5	225.0	223.3	222.5	222.3	222.8	223.1
Refined sugar ³	n.a.	108.3	116.3	114.7	115.5	116.8	119.8	130.1	134.5	178.1
Vegetable oil and products	198.6	209.4	223.7	214.2	233.0	232.6	232.0	230.8	228.9	229.2
Consumer finished goods less foods	172.1	183.7	208.1	194.9	215.9	220.6	222.4	225.0	231.8	237.8
Beverages, alcoholic	139.7	148.2	161.3	156.4	163.3	165.0	166.1	167.0	168.2	170.0
Beverages, nonalcoholic	198.1	211.6	227.7	223.5	233.0	233.1	232.9	232.9	241.2	244.5
Apparel	147.3	152.4	160.3	257.6	161.6	162.1	162.9	162.3	165.3	167.3
Footwear	168.7	183.0	217.8	203.0	226.2	226.9	227.3	227.3	228.5	228.1
Tobacco products	179.8	198.5	217.7	213.6	221.7	221.9	221.9	226.3	236.3	236.9
Intermediate materials ⁴	201.7	215.5	242.7	228.5	255.0	254.6	256.1	258.4	265.6	271.1
Materials for food manufacturing	181.7	202.3	223.5	217.3	225.5	225.3	227.7	230.5	225.8	245.1
Flour	118.9	141.6	172.1	153.1	184.0	183.9	186.8	185.6	182.1	188.1
Refined sugar ⁵	n.a.	109.3	119.3	115.5	118.6	119.3	122.7	134.1	131.0	182.2
Crude vegetable oils	197.5	219.2	243.7	242.2	255.4	240.1	235.7	227.2	204.3	206.3
Crude materials ⁶	214.4	240.1	282.2	270.4	289.5	289.2	290.8	296.7	296.9	308.3
Foodstuffs and feedstuffs	190.9	215.3	247.1	243.7	247.5	247.1	246.4	249.7	243.0	252.6
Fruits and vegetables ²	192.2	216.5	229.0	263.0	208.2	217.8	216.4	210.5	218.9	220.5
Grains	165.0	182.5	214.8	189.3	224.4	229.0	226.6	227.9	214.6	223.3
Livestock	173.0	220.1	260.3	266.5	256.4	251.7	248.3	262.5	247.8	257.2
Poultry, live	175.4	199.8	194.3	217.8	173.5	162.0	195.5	194.7	195.2	184.6
Fibers, plant and animal	202.3	193.4	209.9	205.1	211.3	212.9	215.4	222.0	239.0	269.5
Milk	202.6	219.7	250.0	244.6	258.5	258.5	262.5	264.0	262.3	263.8
Oilseeds	236.7	224.1	245.5	245.9	242.2	235.8	229.5	230.1	219.7	227.9
Coffee, green	505.1	378.2	416.2	318.7	485.1	492.7	476.8	482.9	433.7	441.2
Tobacco, leaf	176.1	191.5	207.8	202.5	214.4	n.a.	216.6	218.4	216.8	214.8
Sugar, raw cane	149.5	190.2	209.8	197.7	216.1	223.7	222.7	247.7	259.8	373.9
All commodities	194.2	209.3	235.5	224.1	242.0	245.6	246.9	249.4	254.7	259.8
Industrial commodities	195.1	209.4	236.3	222.5	244.2	249.0	250.2	252.8	260.3	265.4
All foods ⁷	186.8	206.5	226.3	225.0	228.2	226.8	229.9	232.1	231.1	235.7
Farm products and processed foods and feeds	188.8	206.6	229.8	227.2	231.8	230.6	232.3	234.5	231.9	236.9
Farm products	192.5	212.5	241.4	240.9	241.0	239.6	240.2	242.5	236.4	242.3
Processed foods and feeds	186.1	202.6	222.5	218.9	225.8	224.8	227.1	229.2	228.5	233.1
Cereal and bakery products	173.2	190.3	210.2	199.1	218.7	219.8	222.3	223.7	225.4	229.7
Sugar and confectionery	177.5	197.8	214.7	208.4	217.2	218.9	222.7	234.4	234.8	287.1
Beverages	200.9	200.0	210.8	201.1	217.9	218.9	221.4	221.9	224.1	224.7
Wholesale spot prices, 9 foodstuffs	208.2	239.1	255.6	257.2	259.1	252.3	250.7	255.4	249.5	257.2

¹ Commodities ready for sale to ultimate consumer. ² Fresh and dried. ³ Consumer size packages, Dec. 1977=100. ⁴ Commodities requiring further processing to become finished goods. ⁵ For use in food manufacturing. ⁶ Products entering market for the first time which have not been manufactured at that point. ⁷ Includes all processed food (except soft drinks, alcoholic beverages, and manufactured animal feeds) plus eggs and fresh and dried fruits and vegetables. n.a. = not available.

Farm-Retail Price Spreads

Market basket of farm foods¹

	Annual			1979p					1980p	
	1977	1978	1979p	Feb.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.
Market basket¹:										
Retail cost (1967=100)	179.2	199.4	222.7	218.5	223.7	224.1	224.5	227.5	229.2	229.1
Farm value (1967=100)	178.1	208.0	231.8	239.5	228.0	223.4	228.3	231.0	228.6	230.4
Farm-retail spread (1967=100)	180.0	194.1	217.2	205.7	221.0	224.4	222.1	225.2	229.6	228.2
Farm value/retail cost (%)	37.5	39.4	39.3	41.4	38.5	37.6	38.4	38.4	37.7	38.0
Meat Products:										
Retail cost (1967=100)	174.3	206.8	241.9	238.6	238.1	238.6	237.4	242.3	244.1	244.1
Farm value (1967=100)	169.8	211.5	243.8	262.4	233.1	227.1	229.4	233.8	231.0	237.4
Farm-retail spread (1967=100)	180.0	200.6	239.4	207.7	244.5	253.5	247.8	253.3	261.1	252.8
Farm value/retail cost (%)	55.0	57.8	56.9	62.1	55.3	53.7	54.6	54.5	53.4	55.0
Dairy products:										
Retail cost (1967=100)	173.3	185.5	207.0	200.6	211.3	213.3	216.0	216.9	218.4	219.5
Farm value (1967=100)	187.2	204.7	233.0	224.7	239.9	239.7	242.7	242.7	243.5	246.0
Farm-retail spread (1967=100)	151.3	168.8	184.4	179.6	186.4	190.3	192.7	194.4	196.5	196.4
Farm value/retail cost (%)	50.3	51.4	52.4	52.2	52.9	52.3	52.3	52.1	51.9	52.2
Poultry:										
Retail cost (1967=100)	158.1	172.9	181.5	185.8	174.8	170.3	171.6	176.2	187.8	182.6
Farm value (1967=100)	178.5	202.1	198.3	211.0	180.6	166.1	193.0	197.4	207.1	193.3
Farm-retail spread (1967=100)	138.4	144.7	165.2	161.4	169.2	174.3	150.9	155.7	169.1	172.2
Farm value/retail cost (%)	55.5	57.5	53.7	55.9	50.8	48.0	55.3	55.1	54.2	52.1
Eggs:										
Retail cost (1967=100)	169.1	157.8	172.8	182.1	170.7	161.3	170.1	185.9	178.2	157.2
Farm value (1967=100)	187.5	178.9	199.2	215.8	199.4	176.0	200.3	225.3	193.6	164.7
Farm-retail spread (1967=100)	142.5	127.3	134.6	133.4	129.3	140.1	126.4	129.0	155.9	146.4
Farm value/retail cost (%)	65.5	67.0	68.1	70.0	69.0	64.5	69.6	71.6	64.2	61.9
Cereal and bakery products:										
Retail cost (1967=100)	183.7	199.9	220.2	212.2	225.6	227.0	228.7	231.6	234.2	236.8
Farm value (1967=100)	138.2	163.9	190.0	167.8	202.7	202.5	204.3	199.7	201.6	204.3
Farm-retail spread (1967=100)	193.2	207.3	226.3	221.4	230.3	231.4	233.7	238.2	240.9	243.5
Farm value/retail cost (%)	12.9	14.1	14.8	13.6	15.4	15.5	15.3	14.8	14.8	14.8
Fresh fruits:										
Retail cost (1967=100)	187.9	230.1	258.5	225.4	285.4	272.8	251.6	239.9	238.8	238.8
Farm value (1967=100)	177.2	237.9	239.6	210.1	258.7	258.0	242.0	241.6	198.9	206.1
Farm-retail spread (1967=100)	192.7	226.6	267.0	232.3	297.4	279.5	255.9	239.2	256.7	253.5
Farm value/retail cost (%)	29.2	32.0	28.7	28.9	28.1	29.3	29.8	31.2	25.8	26.7
Fresh Vegetables:										
Retail costs (1967=100)	200.6	216.2	222.5	246.9	200.3	212.2	218.4	225.7	221.2	211.2
Farm value (1967=100)	205.4	215.7	206.7	258.7	164.4	176.1	191.7	179.0	175.3	154.5
Farm-retail spread (1967=100)	198.3	216.5	229.9	241.3	217.2	229.2	230.9	247.7	242.7	237.9
Farm value/retail costs (%)	32.8	31.9	29.7	33.5	26.3	26.5	28.1	25.4	25.4	23.4
Processed fruits and vegetables:										
Retail cost (1967=100)	190.2	208.7	226.6	221.6	230.6	230.1	231.0	232.3	234.7	236.2
Farm value (1967=100)	188.5	221.9	236.5	226.5	240.3	242.8	245.0	248.4	247.8	245.8
Farm-retail spread (1967=100)	190.6	205.8	224.4	220.5	228.5	227.3	227.9	228.7	231.8	234.1
Farm value/retail costs (%)	18.0	19.3	18.9	18.5	18.9	19.1	19.2	19.4	19.1	18.9
Fats and oils:										
Retail cost (1967=100)	192.0	209.6	226.3	219.2	231.5	231.9	232.3	233.0	233.9	235.9
Farm value (1967=100)	249.3	257.4	277.4	285.9	288.1	259.6	266.3	264.1	263.6	244.6
Farm-retail spread (1967=100)	189.9	191.1	206.7	193.5	209.7	221.3	219.3	220.0	222.5	232.5
Farm value/retail cost (%)	36.1	34.1	34.0	36.2	34.6	31.1	31.8	31.5	31.3	28.8

¹ Market basket statistics are based on the weighting structure of the Consumer Price Index for all urban consumers (CPI-U). Retail costs are based on indexes of retail prices for domestically produced farm foods from the CPI-U published monthly by the Bureau of Labor Statistics. The farm value is the payment to farmers for quantity of farm product equivalent to retail unit, less allowance for byproduct. Farm values are based on prices at first point of sale and may include marketing charges such as grading and packing for some commodities. The farm-retail spread, the difference between the retail price and the farm value, represents charges for assembling, processing, transporting, and distributing these foods.

Farm-retail price spreads

	Annual			1979					1980p	
	1977	1978	1979p	Feb	Sept	Oct	Nov	Dec	Jan	Feb
Beef, Choice:¹										
Retail price ² (cts./lb.)	148.4	181.9	226.3	215.3	226.6	224.3	226.2	232.6	234.5	234.8
Net carcass value ³ (cts.)	93.8	119.3	150.5	145.0	151.8	145.9	153.8	155.7	152.1	154.6
Net farm value ⁴ (cts.)	85.5	111.1	140.8	137.0	142.1	136.9	141.8	144.3	139.4	145.0
Farm-retail spread (cts.)	62.9	70.8	85.5	78.3	84.5	87.4	84.4	88.3	95.1	89.8
Carcass-retail spread ⁵ (cts.)	54.6	62.6	75.8	70.3	74.8	78.4	7.24	76.9	82.4	80.2
Farm-carcass spread ⁶ (cts.)	8.3	8.2	9.7	8.0	9.7	9.0	12.0	11.4	12.7	9.6
Farm value/retail price (%)	58	61	62	64	63	61	63	62	59	62
Pork:¹										
Retail price ² (cts./lb.)	125.4	143.6	144.1	157.1	135.6	134.3	132.2	136.3	135.3	133.2
Wholesale value ³ (cts.)	99.0	107.7	100.3	116.0	94.8	90.1	96.5	95.6	93.3	91.3
Net farm value ⁴ (cts.)	65.6	76.6	66.6	85.0	60.5	54.1	57.2	60.7	59.1	59.0
Farm-retail spread (cts.)	59.8	67.0	77.5	72.1	75.1	80.2	75.0	75.6	76.2	74.2
Wholesale-retail spread ⁵ (cts.)	26.4	35.9	43.8	41.1	40.8	44.2	35.7	40.7	42.0	41.9
Farm-wholesale spread ⁶ (cts.)	33.4	31.1	33.7	31.0	34.3	36.0	39.3	34.9	34.2	32.3
Farm value/retail price (%)	52	53	46	54	45	40	43	44	44	44

¹ Revised series, for historical data and methodology see August 1978 issue of *Livestock and Meat Situation*, LMS-222. ² Estimated weighted average price of retail cuts from pork and yield grade 3 carcasses. Retail prices from USDA's meat price survey. ³ Value of carcass quantity equivalent to 1 lb. of retail cuts—beef adjusted for value of fat and bone byproducts. ⁴ Market value to producer for quantity of live animal equivalent to 1 lb. retail cuts minus value of byproducts. ⁵ Represents charges for retailing and other marketing services such as fabricating, wholesaling, and in-city transportation. ⁶ Represents charges made for livestock marketing, processing, and transportation to city where consumed. p Preliminary.

Transportation Data

Rail rates, grain and other bulk shipments

	Annual			1979					1980	
	1977	1978	1979	Feb	Sept	Oct	Nov	Dec	Jan	Feb
Rail freight rate index¹										
All products (1969=100)	199.1	213.0	243.4	232.4	245.9	263.2	263.9	264.5	264.7	267.7
Farm products (1969=100)	191.3	204.9	235.0	222.2	239.2	256.1	256.3	257.4	257.4	260.7
Food products (1969=100)	195.3	210.0	239.5	228.2	241.1	260.4	260.5	260.5	260.6	263.8
Rail carloadings of grain (thou. cars) ²	23.9	25.8	27.5	20.4	28.7	32.2	32.6	30.4	30.5	31.0
Barge shipments of grain (mil. bu.) ³	29.3	31.3	31.2	22.2	33.3	39.8	26.7	28.4	25.8	25.2
Fresh fruit and vegetable shipments										
Rail (thou. cwt.) ^{3 4 5}	1,552	915	1,067	976	782	793	1,195	974	1,106	1,097
Truck (thou. cwt.) ^{3 4 5}	6,596	7,322	7,307	6,813	6,228	6,729	6,812	7,648	7,160	7,478

¹ Department of Labor, Bureau of Labor Statistics. ² Weekly average; from Association of American Railroads. ³ Weekly average; from Agricultural Marketing Service, USDA. ⁴ Preliminary data for 1980. ⁵ Typical truck loads are about 40,000 pounds and average railcar/loads in 1975 were about 60,000 pounds.

Livestock and Products

Livestock and products output and prices

	1978			1979					1980		
	III	IV	Annual	I	II	III	IV	Annual	I ¹	II ¹	III ¹
Beef (mil. lb.)	5,923	6,043	24,010	5,547	5,076	5,222	5,416	21,261	5,250	5,025	5,175
Change (pct.) ²	-6	-3	-4	-9	-15	-12	-10	-11	-5	-1	-1
Pork (mil. lb.)	3,160	3,541	13,209	3,395	3,754	3,775	4,346	15,270	4,100	4,075	3,975
Change (pct.) ²	+3	+1	+1	+5	+15	+19	+23	+16	+21	+9	+5
Veal (mil. lb.)	139	134	600	114	98	99	99	410	90	75	75
Change (pct.) ²	-32	-33	-24	-36	-34	-29	-26	-32	-21	-23	-24
Lamb and mutton (mil. lb.)	73	76	300	70	71	68	72	281	75	70	70
Change (pct.) ²	-13	-6	-12	-7	-7	-7	-5	-6	+7	-1	+3
Red meats (mil. lb.)	9,295	9,794	38,119	9,126	8,999	9,164	9,933	37,222	9,515	9,245	9,295
Change (pct.) ²	-4	-2	-3	-5	-4	-1	+1	-2	+4	+3	+1

Livestock and products Output and Prices--continued

Broilers(mil. lb.)	2,567	2,443	9,884	2,551	2,844	2,855	2,665	10,915	2,700	2,950	2,950
Change (pct.) ¹	+6	+9	+7	+10	+12	+11	+9	+10	+6	+4	+3
Turkeys (mil. lb.)	680	676	1,984	271	465	720	725	2,181	365	560	755
Change (pct.) ¹	+1	+5	+5	+19	+16	+6	+7	+10	+35	+20	+5
Total meats (mil. lb.)	12,542	12,913	49,987	11,948	12,308	12,739	13,323	50,318	12,580	12,755	13,000
Change (pct.) ²	-2	0	-1	-3	-1	+2	+3	+1	+5	+4	+2
Eggs(mil. doz.)	1,384	1,448	5,606	1,423	1,434	1,436	1,477	5,769	1,470	1,450	1,450
Change (pct.) ²	+4	+3	+4	+3	+3	+4	+2	+3	+3	+1	+1
Milk (bil. lb.)	30.4	28.8	121.6	29.8	32.8	31.2	29.8	123.6	31.0	33.8	31.4
Change (pct.) ²	-1	-1	-1	0	+1	+3	+3	+2	+4	+3	+1
Total livestock and products (1974=100)	106.0	105.6	105.7	101.9	106.7	107.5	109.0	106.3	106.2	100.0	109.0
Change (pct.) ²	-1.5	+1	-5	-1.0	-6	+1.4	+3.2	+6	+4.2	+3.1	+1.4

Prices

Choice steers, Omaha (\$ per cwt.)	53.75	54.76	52.34	65.42	72.51	65.88	66.86	67.67	66.90	68-72	69-73
Barrows and gilts, 7-markets (\$ per cwt.)	48.52	50.05	48.49	51.98	43.04	38.52	36.39	42.06	36.35	34-37	37-40
Broilers, 9-city wholesale (cts. per lb.) ⁴	46.6	42.1	44.5	47.5	47.7	40.8	41.7	44.4	43.0	40-43	42-45
Turkeys, N.Y., wholesale (cts. per lb.) ⁵	68.2	77.1	66.7	70.2	66.2	63.1	73.0	68.1	59.0	55-58	57-60
Eggs, cartoned, Grade A large, N.Y. (cts. per doz.)	63.0	67.8	61.7	71.9	66.1	65.2	69.4	68.2	63.0	56-58	62-64
Milk, all at farm (\$ per cwt.)	10.50	11.57	10.58	11.87	11.53	12.00	12.77	12.04	12.77	12.95-13.15	13.15-13.35
Livestock prices received by farmers (1967=100)	221	234	217	263	265	248	252	257	254	259	263

¹ Forecast. ² Change from year-earlier. ³ Does not add due to rounding of quarterly data. ⁴ Weighted data. ⁵ 3-16 pound young hens.

Dairy:

	Annual			1979					1980	
	1977	1978	1979	Feb.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.
Milk production:										
Total milk (mil. lb.)	122,698	121,609	123,623	9,317	10,014	10,108	9,657	10,061	10,260	9,917
Milk per cow (lb.)	11,181	11,218	11,471	862	929	936	895	931	951	920
Number of milk cows (thou.)	10,974	10,841	10,777	10,804	10,785	10,795	10,794	10,803	10,785	10,781
Milk prices, Minnesota-Wisconsin, 3.5% fat (\$/cwt.) ¹	8.58	9.57	10.91	10.52	11.32	11.25	11.27	11.34	11.37	11.35
Price of 16% dairy ration (\$/ton)	140	138	156	150	160	163	162	166	166	163
Milk-feed price ratio (lb.) ²	1.39	1.53	1.55	1.59	1.54	1.55	1.58	1.57	1.54	1.57
Stocks, beginning										
Total milk equiv. (mil. lb.) ³	5,708	8,626	8,730	8,724	10,487	10,027	9,420	8,883	8,599	8,897
Commercial (mil. lb.)	5,299	4,916	4,475	4,724	6,691	6,563	6,174	5,667	5,419	5,476
Government (mil. lb.)	410	3,710	4,254	4,000	3,796	3,464	3,246	3,216	3,180	3,422
Imports, total equiv. (mil. lb.) ³	1,968	2,305	2,299	81	182	208	257	424	n.a.	n.a.
USDA net removals:										
Total milk equiv. (mil. lb.) ³	6,080	2,743	2,119	40.8	2.4	211.0	239.7	357.8	732.0	434.9
Butter:										
Production (mil. lb.)	1,085.6	994.3	985.4	86.6	61.5	76.8	74.7	83.8	103.8	99.1
Stocks, beginning (mil. lb.)	47.1	184.9	206.9	206.7	239.1	220.4	200.5	182.1	177.8	191.2
Wholesale price, Grade A Chi. (cts./lb.)	98.4	109.8	122.4	111.3	127.8	128.8	130.0	130.2	130.2	130.3
USDA net removals (mil. lb.)	221.8	112.0	81.6	2.0	0	9.8	8.4	7.2	26.7	10.4
Commercial disappearance (mil. lb.)	859.8	903.5	895.8	78.8	64.4	77.2	83.3	78.6	n.a.	n.a.
American cheese:										
Production (mil. lb.)	2,043.1	2,074.2	2,187.3	166.0	167.4	171.9	159.9	172.5	182.0	176.5
Stocks, beginning (mil. lb.)	411.4	422.1	378.8	375.8	460.2	456.8	436.5	424.3	406.6	404.6
Wholesale price, Wis. assembly pt. (cts./lb.)	96.8	107.1	123.8	118.6	131.5	128.8	125.8	125.0	125.6	126.0
USDA net removals (mil. lb.)	148.2	39.7	40.2	4.3	0	7	6.4	21.0	18.0	22.1
Commercial disappearance (mil. lb.)	1,958.8	2,064.7	2,110.5	157.5	171.2	191.6	167.6	178.4	n.a.	n.a.

See footnote at end of table.

Dairy—continued

Other Cheese:										
Production (mil. lb.)	1,315.5	1,445.1	1,552.4	110.1	124.0	132.1	130.0	132.1	128.5	121.3
Stocks, beginning (mil. lb.)	67.1	64.0	78.4	83.7	98.6	94.4	100.0	104.0	105.6	111.8
Commercial disappearance (mil. lb.)	1,512.3	1,655.1	1,725.5	113.6	148.1	147.9	153.4	174.8	n.a.	n.a.
Nonfat dry milk:										
Production (mil. lb.)	1,106.6	920.4	907.3	54.9	55.6	58.1	56.2	73.3	75.0	75.8
Stocks, beginning (mil. lb.)	485.4	677.9	585.1	560.0	560.4	549.6	516.4	485.2	485.2	454.4
Wholesale price, avg. manf. (cts./lb.)	66.5	71.4	80.0	76.6	80.7	83.4	84.0	84.1	83.9	83.9
USDA net removals (mil. lb.)	461.7	285.0	255.3	1.1	10.0	18.6	23.6	25.8	34.9	32.1
Commercial disappearance (mil. lb.)	682.2	658.4	601.7	50.6	59.8	42.6	41.3	39.4	n.a.	n.a.
Frozen dessert production (mil. gal.) ⁴	1,167.6	1,170.4	1,157.6	76.9	100.6	93.0	76.9	69.9	77.1	80.0

¹ Manufacturing grade milk. ² Pounds of 16% protein ration equal in value to 1 pound of milk. ³ Milk equivalent, fat-solids basis. ⁴ Domestic sales exceeded purchases.
⁵ Less than 50,000 pounds. ⁶ Ice cream, ice milk, and sherbert. n.a. = not available.

Poultry and eggs:

	Annual			1979					1980	
	1977	1978	1979	Feb	Sept	Oct	Nov	Dec	Jan	Feb
Eggs										
Farm production (mil.)	64,888	67,278	69,247	5,283	5,642	5,870	5,789	6,061	6,035	5,586
Average number of layers on farms (mil.)	275	282	288	291	288	290	293	295	294	290
Rate of lay (eggs per layer)	236	239	240	18.2	19.6	20.2	19.8	20.5	20.5	19.2
Cartoned price, New York, grade A large (cts./doz.) ¹	63.3	61.7	68.2	68.0	64.7	63.2	69.8	75.3	62.5	60.0
Price of laying feed (\$/ton)	152	152	168	159	173	174	171	174	173	172
Egg-feed price ratio (lb.) ²	7.3	6.9	6.9	7.6	6.3	6.0	6.7	7.3	6.6	5.9
Stocks, beginning of period:										
Shell (thou. cases)	28	39	38	22	28	31	24	24	38	47
Frozen (mil. lb.)	26.1	29.7	25.3	25.5	24.7	24.1	25.6	23.4	23.4	22.3
Replacement chicks hatched (mil.)	502	492	519	38.5	36.6	39.5	37.5	36.4	38.1	42.0
Broilers										
Federally inspected slaughter, certified (mil. lb.)	9,227	9,883	10,916	749.1	863.2	1,038.0	820.1	807.2	955.2	—
Wholesale price, 9-city, (cts./lb.)	40.8	44.5	44.4	49.2	39.9	37.0	42.6	45.5	45.8	42.7
Price of broiler grower feed (\$/ton)	171	169	189	179	195	196	193	195	193	194
Broiler-feed price ratio (lb.) ²	2.7	3.1	2.8	3.2	2.4	2.2	2.5	2.6	2.8	2.6
Stocks, beginning of period (mil. lb.)	32.9	29.4	20.1	17.9	25.6	28.7	32.1	31.6	30.6	26.7
Average weekly placements of broiler chicks, 21 States (mil.)	66.6	70.9	76.3	74.6	71.7	70.5	66.0	71.6	77.5	79.8
Turkeys										
Federally inspected slaughter, certified (mil. lb.)	1,892	1,983	2,182	77.2	233.0	297.5	261.9	165.5	141.1	—
Wholesale price, New York, 8-16 lb. young hens (cts./lb.)	54.0	66.7	68.1	67.6	63.3	68.4	74.6	75.4	62.3	57.8
Price of turkey grower feed (\$/ton)	184	182	202	192	206	207	203	208	204	202
Turkey-feed price ratio (lb.) ²	3.8	4.6	4.2	4.6	3.7	3.9	4.5	4.5	3.8	3.6
Stocks, beginning of period (mil. lb.)	203.4	167.9	175.1	170.7	382.4	432.3	445.5	281.2	240.0	247.5
Poults hatched (mil.)	148.4	157.5	180.0	15.6	8.0	9.0	9.8	12.2	15.8	16.4

¹ Price of cartoned eggs to volume buyers for delivery to retailers. ² Pounds of feed equal in value to 1 dozen eggs or 1 lb. of broiler or turkey liveweight.

Meat animals:

	Annual			1979					1980	
	1977	1978	1979	Feb	Sept	Oct	Nov	Dec	Jan	Feb
Cattle on feed (7-States):										
Number on feed (thou. head) ¹	8,213	8,927	9,226	8,729	6,837	7,415	8,017	8,269	8,454	7,957
Placed on feed (thou. head) ²	20,809	22,593	19,877	1,305	2,048	2,385	1,848	1,649	1,366	1,206
Marketings (thou. head)	18,701	20,297	18,793	1,650	1,384	1,639	1,438	1,331	1,697	1,565
Other disappearance (thou. head)	1,383	1,997	1,856	170	86	144	158	133	166	155
Beef steer-corn price ratio, Omaha (bu.) ³	19.9	24.8	28.7	30.3	26.5	28.1	28.9	28.7	29.3	29.1
Hog-corn price ratio, Omaha (bu.) ³	20.2	22.9	18.1	25.4	16.2	14.7	15.3	16.0	16.5	16.2
Commercial slaughter (thou. head) ⁴										
Cattle	41,856	39,552	33,650	2,737	2,549	3,034	2,795	2,651	2,923	2,645
Steers	19,342	18,526	17,363	1,445	1,285	1,493	1,350	1,357	1,540	1,418
Heifers	11,748	11,758	9,725	774	781	928	813	713	769	714
Cows	9,864	8,470	5,923	471	429	550	576	530	555	460
Bulls and stags	902	798	639	47	54	63	56	51	58	53
Calves	5,517	4,170	2,824	240	217	254	240	216	235	205
Sheep and lambs	6,356	5,369	5,017	364	428	474	403	403	462	431
Hogs	77,303	77,315	89,089	5,947	7,118	9,098	8,496	7,637	8,416	7,603
Commercial production (mil. lb.)										
Beef	24,986	24,010	21,254	1,700	1,618	1,940	1,778	1,694	1,884	1,707
Veal	794	600	413	35	31	37	34	30	33	28
Lamb and mutton	341	300	284	21	23	26	23	23	27	25
Pork	13,051	13,209	15,290	1,000	1,206	1,553	1,471	1,328	1,449	1,287
Market Prices	Dol. per 100 pounds									
Slaughter cattle:										
Choice steers, Omaha	40.38	52.34	67.67	64.88	67.84	65.81	67.00	67.78	66.32	67.44
Utility cows, Omaha	25.32	36.79	50.10	50.81	49.65	47.71	46.49	46.98	47.94	51.22
Choice vealers, S. St. Paul	48.19	69.24	91.41	91.48	96.68	96.48	73.88	70.00	70.00	70.88
Feeder cattle:										
Choice, Kansas City, 600-700 lb.	40.19	58.78	83.08	80.26	85.34	81.29	82.44	82.80	80.52	83.18
Slaughter hogs:										
Barrows and gilts, 7-markets	41.07	48.49	42.06	54.42	38.62	34.70	36.01	38.45	37.49	37.51
Feeder pigs:										
S. Mo. 40-50 lb. (per head)	35.42	48.16	35.26	52.54	29.30	23.10	26.35	25.82	29.52	34.84
Slaughter sheep and lambs:										
Lambs, Choice, San Angelo	54.28	65.33	68.45	69.12	67.75	66.50	66.53	68.12	67.40	66.31
Ewes, Good, San Angelo	19.19	28.97	32.82	37.62	28.56	25.55	27.00	27.17	26.50	30.62
Feeder lambs:										
Choice, San Angelo	55.12	75.61	77.53	84.50	74.25	70.0	73.00	79.83	77.88	79.00
Wholesale meat prices, Midwest ⁵										
Choice steer beef, 600-700 lb.	62.69	80.43	101.62	97.47	101.91	98.32	103.22	105.53	102.26	103.70
Canner and Cutter cow beef	51.58	74.61	100.23	102.28	94.62	97.59	96.17	96.72	98.98	101.00
Pork loins, 8-14 lb.	83.04	95.99	91.35	108.10	88.41	80.07	74.72	83.97	80.76	81.28
Pork bellies, 12-14 lb.	54.19	62.50	46.00	62.53	38.63	33.51	43.72	40.88	38.75	34.64
Hams, skinned, 14-17 lb.	76.50	86.37	77.04	86.27	70.64	75.84	87.91	80.15	64.94	66.81

	Annual			1979					1980	
	1977	1978	1979	IV	I	II	III	IV	I	II
Cattle on feed (23-States):										
Number on feed (thou. head) ¹	11,948	12,811	12,681	11,347	12,681	11,074	10,309	9,938	11,739	—
Placed on feed (thou. head) ²	27,651	29,073	26,062	8,673	5,853	6,149	5,957	8,103	—	—
Marketings (thou. head)	24,853	26,645	24,600	6,730	6,747	6,146	5,976	5,731	—	—
Other disappearance (thou. head) ²	1,935	2,558	2,404	609	713	768	352	571	—	—
Hogs and pigs (14-States): ⁴										
Inventory (thou. head) ¹	47,120	48,308	51,220	49,300	51,220	50,935	55,540	57,270	56,810	54,730
Breeding (thou. head) ¹	6,788	7,324	8,095	7,463	8,095	8,333	8,696	8,277	7,999	8,094
Market (thou. head) ¹	40,332	40,984	43,125	41,837	43,125	42,602	46,844	48,993	48,811	46,636
Farrowings (thou. head)	10,362	10,609	12,320	2,796	2,660	3,486	3,159	3,015	2,737	3,473
Pig crop (thou. head)	74,161	75,564	87,412	20,027	18,266	24,994	22,606	21,546	19,627	—

¹ Beginning of period. ² Other disappearance excluded in 1973; not comparable with 1974 and 1975. ³ Bushels of corn equal in value to 100 pounds liveweight.

⁴ 220-240 lb. Beginning in January 230-240 lb. ⁵ Prior to Oct. 1975, Chicago. ⁶ Quarters are Dec. preceding year-Feb. (I), Mar-May (II), June-Aug (III), and Sept-Nov (IV). ⁷ Intentions. ⁸ Classes estimated.

Wool:

	Annual			1979					1980	
	1977	1978	1979	Feb	Sept	Oct	Nov	Dec	Jan	Feb
U.S. wool price, Boston ¹ (cts./lb.)	183	189	218	178	220	230	233	233	238	253
Imported wool price, Boston ² (cts./lb.)	224	230	257	246	243	257	251	242	245	267
U.S. mill consumption, scoured										
Apparel wool (thou. lb.)	95,485	102,246	101,206	8,230	6,776	9,679	8,044	8,110	11,322	n.a.
Carpet wool (thou. lb.)	12,526	13,009	9,846	1,056	805	831	661	357	1,034	n.a.

¹ Wool price delivered at U.S. mills, clean basis, Graded Territory 64's (20.60-22.04 microns) staple 2 1/4" and up. Prior to January 1976 reported as: Territory fine, good French combing and staple. ² Wool price delivered at U.S. mills, clean basis, Australian 60/62's, type 64A (24 micron), including duty (25.5 cents). Duty in 1980 is 20.0 cents. Prior to January 1976 reported as: Australian 64's combing, excluding duty. n.a. Not available.

Supply and Utilization: Crops

Supply and utilization of major crops¹

	Domestic measure ²				Metric measure ²			
	1977/78	1978/79 estimated	1979/80		1977/78	1978/79 estimated	1979/80	
			Projected	Probable variability [*]			Projected	Probable variability [*]
Wheat:								
	Mil. acres				Mil. hectares			
Area								
Planted	75.1	66.3	71.6	—	30.3	26.8	—	—
Harvested	66.5	56.9	62.6	—	26.8	22.9	—	—
	Bu. per acre				Metric tons per hectare			
Yield per harvested unit	30.6	31.6	34.2	—	2.1	2.2	—	—
	Mil. bu.				Mil. metric tons			
Beginning stocks	1,112	1,177	925	—	30.3	32.0	25.2	—
Production	2,036	1,798	2,142	—	55.4	48.9	58.3	—
Imports	2	1	2	—	—	—	—	—
Supply, total	3,150	2,976	3,069	—	85.7	81.0	83.5	—
Domestic	849	857	770	+25 to -25	23.1	23.3	20.9	—
Exports	1,124	1,194	1,325	+100 to -100	30.6	32.5	36.1	—
Use, total	1,973	2,051	2,095	+110 to -110	53.7	55.8	57.0	—
Ending stocks	1,177	925	974	+110 to -110	32.0	25.2	26.5	—
	Dol. per bu.				Dol. per metric ton			
Price received by farmers	2.33	³ 2.98	3.70-3.90	—	86	³ 109	136-143	—
Price, Kansas City, No. 1 HRW	2.72	3.38	⁴ 4.33	—	100	124	⁴ 159	—
Rice:								
	Mil. acres				Mil. hectares			
Area								
Allotment	1.80	1.80	1.80	—	.73	.73	—	—
Planted	2.26	2.99	3.00	—	.91	1.23	—	—
Harvested	2.25	2.97	2.98	—	.91	1.23	—	—
	Lb. per acre				Metric tons per hectare			
Yield per harvested unit	4,412	4,484	4,588	—	4.94	5.06	—	—
	Mil. cwt.				Mil. metric tons			
Beginning stocks	40.5	27.4	31.6	—	1.8	1.2	1.5	—
Production	99.2	133.2	136.7	—	4.5	6.0	6.2	—
Imports	.1	.1	—	—	—	—	—	—
Supply, total	139.8	160.7	168.3	—	6.3	7.3	7.7	—
Domestic	37.7	48.0	50.5	+2 to -2	1.7	2.2	2.3	—
Exports	72.8	76.9	83.0	+5 to -5	3.3	3.5	3.8	—
Use, total	110.5	124.9	133.5	+6 to -6	5.0	5.7	6.1	—
Ending stocks	27.4	31.6	34.8	+6 to -6	1.2	1.5	1.6	—
Difference unaccounted	+1.9	+4.2	—	—	—	—	—	—
	Dol. per cwt.				Dol. per metric ton			
Price received by farmers	9.49	³ 8.16	9.50-10.25	—	209	³ 180	209-226	—
Price, long-grain milled, S.W. La.	21.28	18.41	⁴ 21.66	—	469	406	⁴ 477	—
Feed grains:³								
	Mil. acres				Mil. hectares			
Area								
Planted	128.9	122.8	117.6	—	—	—	—	—
Harvested	108.1	104.5	101.2	—	—	—	—	—
	Metric tons per acre				Metric tons per hectare			
Yield per harvested unit	1.88	2.08	2.31	—	—	—	—	—
	Mil. short tons				Mil. metric tons			
Beginning stocks	—	—	—	—	29.9	41.2	45.9	—
Production	—	—	—	—	203.4	217.4	233.9	—
Imports	—	—	—	—	.3	.3	.2	—
Supply, total	—	—	—	—	233.6	258.9	280.0	—
Feed	—	—	—	—	117.3	133.1	136.9	+6 to -6
Food, seed, and industrial uses	—	—	—	—	18.8	19.7	20.7	—
Domestic, total	—	—	—	—	136.1	152.8	157.6	+6 to -6
Exports	—	—	—	—	56.3	60.2	69.1	+5 to -5
Use, total	—	—	—	—	192.4	213.0	226.7	+9 to -9
Ending stocks	—	—	—	—	41.2	45.9	53.3	+6 to -6

See footnotes at end of table.

Supply and utilization of major crops¹ —Continued

	Domestic measure ²				Metric measure ³			
			1979/80				1979/80	
	1977/78	1978/79 estimated	Projected	Probable variability*	1977/78	1978/79 estimated	Projected	Probable variability*
Corn:								
Mil. acres					Mil. hectares			
Area								
Planted	83.6	80.1	80.0	—	33.5	31.8	—	—
Harvested	70.9	70.3	71.0	—	28.3	27.6	—	—
Bu. per acre					Metric tons per hectare			
Yield per harvested unit	90.7	100.8	109.4	—	5.71	6.03	—	—
Mil. bu.					Mil. metric tons			
Beginning stocks	884	1,104	1,286	—	22.5	28.0	32.7	—
Production	6,425	7,087	7,764	—	163.2	180.0	197.2	—
Imports	3	1	1	—	(⁶)	(⁶)	(⁶)	—
Supply, total	7,312	8,192	9,051	—	185.7	208.1	229.9	—
Feed	3,709	4,198	4,350	+200 to -200	94.2	106.6	110.5	—
Food, seed, and industrial uses	551	575	615	—	14.0	14.6	15.6	—
Domestic, total	4,260	4,773	4,965	+200 to -200	108.2	121.2	126.1	—
Exports	1,948	2,133	2,400	+150 to -150	49.5	54.2	61.0	—
Use, total	6,208	6,906	7,365	+300 to -300	157.7	175.4	187.1	—
Ending stocks	1,104	1,286	1,686	+200 to -200	28.0	32.7	42.8	—
Dol. per bu.					Dol. per metric ton			
Price received by farmers	2.02	³ 2.25	2.30 - 2.50	—	80	³ 89	91-98	—
Price, Chi., No. 2 yellow	2.26	⁴ 2.54	2.64	—	88.97	⁴ 100.0	103.93	—
Soybeans:								
Mil. acres					Mil. hectares			
Area								
Planted	58.8	64.0	71.6	—	23.8	25.9	29.0	—
Harvested	57.6	63.3	70.5	—	23.3	25.6	28.5	—
Bu. per acre					Metric tons per hectare			
Yield per harvested unit	30.6	29.5	32.2	—	2.06	1.98	2.17	—
Mil. bu.					Mil. metric tons			
Beginning stocks	103	161	174	—	2.8	4.4	4.7	—
Production	1,762	1,870	2,268	+30 to -30	48.0	50.9	61.7	+0.8 to -0.8
Supply, total	1,865	2,031	2,442	+30 to -30	50.8	55.3	66.4	+8 to -8
Crushings	927	1,018	1,100	+20 to -20	25.2	27.7	29.9	+5 to -5
Exports	700	753	820	+20 to -20	19.1	20.5	22.3	+5 to -5
Seed, feed, and residual	77	86	97	—	2.1	2.4	2.7	—
Use, total	1,704	1,857	2,017	+20 to -20	46.4	50.6	54.9	+5 to -5
Ending stocks	161	174	425	+30 to -30	4.4	4.7	11.6	+8 to -8
Dol. per bu.					Dol. per metric ton			
Price received by farmers	5.88	³ 6.66	6.00-6.40	—	216	³ 245	221-235	—
Price, Chi., No. 1 yellow	6.11	⁴ 7.08	6.49	—	224.50	⁴ 260.14	238.46	—
Mil. lb.					Thou. metric tons			
Beginning stocks	771	729	776	—	350	331	352	—
Production	10,288	11,323	11,769	+220 to -220	4,667	5,136	5,338	+100 to -100
Supply, total	11,059	12,052	12,545	+220 to -220	5,016	5,467	5,690	+100 to -100
Domestic	8,273	8,942	9,350	+200 to -200	3,753	4,056	4,241	+90 to -90
Exports	2,057	2,334	2,200	+150 to -150	933	1,059	998	+70 to -70
Use, total	10,330	11,276	11,550	+200 to -200	4,686	5,115	5,239	+90 to -90
Ending stocks	729	776	995	+200 to -200	331	352	451	+90 to -90
Cts. per lb.					Cts. per kilogram			
Price, crude, Decatur	24.6	27.4	23-26	—	542	604	507-573	—
Thou. short tons					Thou. metric tons			
Beginning stocks	228	243	267	—	207	220	242	—
Production	22,371	24,354	26,293	+500 to -500	20,295	22,094	23,853	+455 to -455
Supply, total	22,599	24,597	26,560	+500 to -500	20,501	22,314	24,095	+455 to -455
Domestic	16,276	17,720	19,000	+400 to -400	14,765	16,075	17,237	+360 to -360
Exports	6,080	6,610	7,200	+200 to -200	5,516	5,996	6,532	+180 to -180
Use, total	22,356	24,330	26,200	+400 to -400	20,281	22,072	23,768	+360 to -360
Ending stocks	243	267	360	—	220	242	319	—
Dol. per short ton					Dol. per metric ton			
Price, bulk, Decatur, 44%	164.20	190.10	165.00-185.00	—	181	210	182-204	—

See footnotes at end of table.

Supply and utilization of major crops¹—Continued

	Domestic measure ²				Metric measure ²			
			1979/80				1979/80	
	1977/78	1978/79 estimated	Projected	Probable variability *	1977/78	1978/79 estimated	Projected	Probable Variability *
Cotton:⁷								
		Mil. acres				Mil. hectares		
Area								
Planted	13.7	13.4	14.0	—	5.54	5.41	5.69	—
Harvested	13.3	12.4	13.0	—	5.37	5.01	5.25	—
		Lb. per acre				Metric tons per hectare		
Yield per harvested unit	520	421	551	—	.58	.47	.62	—
		Mil. 480-lb. bales				Mil. metric tons		
Beginning stocks ⁸	2.9	5.3	4.0	—	.64	1.16	.87	—
Production	14.4	10.9	14.9	+0.1 to -0.1	3.13	2.36	3.24	+0.02 to -.02
Supply, total ⁹	17.3	16.2	18.8	+1 to -1	3.77	3.53	4.09	+0.02 to -.02
Mil. use	6.5	6.4	6.4	+2 to -2	1.42	1.39	1.39	+0.04 to -.04
Exports	5.5	6.2	8.0	+5 to -5	1.19	1.35	1.74	+1.1 to -1.1
Use, total	12.0	12.5	14.4	+5 to -5	2.61	2.72	3.14	+1.1 to -1.1
Difference unaccounted ¹⁰	(.6)	.3	.1	—	(.6)	.07	.02	—
Ending stocks	⁸ 5.3	⁸ 4.0	4.5	+5 to -5	⁸ 1.16	⁸ .87	.98	+1.1 to -1.1
		Cts. per lb.				Cts. per kilogram		
Price received by farmers	52.3	¹¹ 58.4	61.5	—	1.15	¹¹ 1.29	1.36	—
Price, SLM, 1-1/16 in., spot	52.7	61.8	⁴ 67.1	—	114.7	134.6	⁴ 146.2	—

¹ Marketing year beginning June 1 for wheat, barley, and oats, August 1 for cotton and rice, September 1 for soybeans, and October 1 for corn, sorghum, and soybean oil and meal. ² Conversion factors: Hectare (ha.)=2.471 acres; and 1 metric ton=2,204.622 pounds, 36.7437 bushels of wheat or soybeans, 39.3679 bushels of corn or sorghum, 49.9296 bushels of barley, 69.8944 bushels of oats, 22.046 cwt. of rice, and 4.59 480-pound bales of cotton. ³ Season average estimate. ⁴ Average for beginning of marketing year through Feb. 1980. ⁵ Corn, sorghum, oats, and barley. ⁶ Less than 0.05. ⁷ Upland and extra long staple. ⁸ Based on Census Bureau data. ⁹ Includes imports. ¹⁰ Difference between ending stocks based on Census Bureau data and preceding season's supply less distribution. ¹¹ Season average farm price.

* Reflects the "root mean square error" and/or "standard error of estimate" from trend and judgement. Chances are about 2 out of 3 that the outcome will fall within the indicated ranges.

Crops and Products

Feed grains:

	Marketing year ¹			1979					1980	
	1976/77	1977/78	1978/79	Feb	Sept	Oct	Nov	Dec	Jan	Feb
Wholesale prices:										
Corn, No. 2 yellow, Chicago (\$/bu.)	2.30	2.26	2.54	2.35	2.78	2.73	2.59	2.69	2.54	2.65
Sorghum, No. 2 yellow, Kansas City (\$/cwt.)	3.49	3.54	4.00	3.73	4.34	4.42	4.41	4.57	4.21	4.35
Barley, feed, Minneapolis (\$/bu.)	2.35	1.68	1.80	1.69	2.22	2.34	2.11	2.15	2.09	2.04
Barley, malting, Minneapolis (\$/bu.) ²	3.13	2.27	2.38	2.33	3.10	3.18	3.06	2.93	2.87	2.81
Exports:										
Corn (mil. bu.)	1,684	1,948	2,133	125	186	216	223	224	190	n.a.
Feed grains (mil. metric tons) ³	50.6	56.3	60.2	3.9	5.4	6.3	6.5	6.5	5.9	n.a.
	Marketing year ¹			1978		1979			1980	
	1976/77	1977/78	1978/79	June-Sept	Oct-Dec	Jan-Mar	Apr-May	June-Sept	Oct-Dec	Jan-Mar
Corn:										
Stocks, beginning (mil. bu.)	399	884	1,104	2,837	1,104	6,203	4,423	3,232	1,286	6,772
Domestic use:										
Feed (mil. bu.)	3,587	3,709	4,198	793	1,397	1,224	695	881	1,473	n.a.
Food, seed, ind. (mil. bu.)	513	551	575	197	137	129	109	201	142	n.a.
Feed grains:³										
Stocks, beginning (mil. metric tons)	17.2	29.9	41.1	88.5	52.7	190.4	135.1	99.4	55.0	203.3
Domestic use:										
Feed (mil. metric tons)	112.6	117.3	133.1	27.0	44.0	38.3	21.2	30.1	45.8	n.a.
Food, seed, ind. (mil. metric tons)	17.9	18.9	19.7	6.6	4.5	4.5	4.0	6.6	4.7	n.a.

¹ Beginning October 1 for corn and sorghum; June 1 for oats and barley. ² No. 3 or better, 65% or better, 65% or better plump beginning October 1977. ³ Aggregated data for corn, sorghum, oats, and barley. p Preliminary.

Food grains:

	Marketing year ¹			1979					1980	
	1976/77	1977/78	1978/79	Feb	Sept	Oct	Nov	Dec	Jan	Feb
Wholesale prices:										
Wheat, No. 1 HRW, Kansas City (\$/bu.) ²	2.88	2.72	3.38	3.50	4.26	4.39	4.53	4.51	4.33	4.32
Wheat, DNS, Minneapolis (\$/bu.) ²	2.96	2.66	3.17	3.12	4.18	4.31	4.27	4.18	4.06	4.13
Flour, Kansas City (\$/cwt.)	7.21	6.60	7.81	7.78	10.08	10.10	10.60	10.46	10.00	10.26
Flour, Minneapolis (\$/cwt.)	8.34	7.34	8.17	8.04	10.46	10.56	10.71	10.44	10.09	10.41
Rice, S.W. La. (\$/cwt.) ³	14.60	21.30	18.40	16.75	21.50	22.05	22.50	21.00	20.60	22.50
Wheat:										
Exports (mil. bu.)	950	1,124	1,194	72	136	153	113	122	.86	94
Mill grind (mil. bu.)	628	616	622	48	52	59	56	50	—	—
Wheat flour production (mil. cwt.)	279	275	278	22	23	26	25	23	—	—

	Marketing year ¹			1978		1979			1980	
	1976/77	1977/78	1978/79	June-Sept	Oct-Dec	Jan-Mar	Apr-May	June-Sept	Oct-Dec	Jan-Mar
Wheat:										
Stocks, beginning (mil. bu.)	665	1,112	1,177	1,177	2,138	1,633	1,226	925	1,713	2,272
Domestic use:										
Food (mil. bu.)	588	586	592	192	154	147	99	198	159	—
Feed and seed (mil. bu.) ⁴	160	263	265	152	43	36	34	86	13	—
Exports (mil. bu.)	950	1,124	1,194	493	309	224	168	511	388	—

¹ Beginning June 1 for wheat and August 1 for rice. ² Ordinary protein. ³ Long-grain, milled basis. ⁴ Feed use approximated by residual.

Vegetables:

	Annual			1979					1980	
	1977	1978	1979	Feb	Sept	Oct	Nov	Dec	Jan	Feb
Wholesale prices:										
Potatoes, white, f.o.b. East (\$/cwt.)	5.52	5.20	4.54	4.64	4.20	4.49	4.20	4.10	4.00	3.79
Iceberg lettuce (\$/ctn.) ¹	3.23	5.10	5.10	10.20	4.18	4.26	3.38	2.59	2.61	3.17
Tomatoes (\$/ctn.) ²	7.21	6.65	7.86	8.46	5.00	7.52	9.23	6.84	7.34	6.07
Wholesale price index, 10 canned										
veg. (1967=100)	170	175	191	188	194	192	193	191	192	187
Grower price index, fresh commercial										
veg. (1967=100)	197	211	217	182	181	189	212	199	190	182

¹ Std. carton 24's, f.o.b. shipping point. ² 5 x 6-6 x 6, f.o.b. Fla.-Cal.

Fruit:

	Annual			1979					1980	
	1977	1978	1979	Feb	Sept	Oct	Nov	Dec	Jan	Feb
Wholesale price indexes:										
Fresh fruit (1967=100)	177.5	217.6	230.4	219.9	237.3	236.4	207.7	230.2	221.8	242.2
Dried fruit (1967=100)	338.4	355.3	530.7	579.7	557.9	412.0	386.9	381.4	377.0	373.7
Canned fruit and juice (1967=100)	190.4	213.9	240.2	233.1	245.7	248.1	249.2	248.8	252.4	252.0
Frozen fruit and juice (1967=100)	196.5	232.0	248.5	246.4	251.1	251.1	251.2	251.3	251.3	251.3
F.o.b. shipping point prices:										
Apples, Yakima Valley (\$/ctn.) ¹	n.a.	n.a.	n.a.	11.35	12.37	9.20	11.13	11.25	11.31	11.87
Pears, Yakima Valley (\$/box) ²	n.a.	n.a.	n.a.	10.08	n.a.	10.00	10.29	11.08	11.49	12.69
Oranges, U.S. avg. (\$/box)	7.44	10.69	12.94	12.92	12.40	12.80	12.16	10.81	8.95	9.17
Grapefruit, U.S. avg. (\$/box)	6.27	6.72	7.96	6.96	11.65	9.67	8.45	8.52	7.87	7.83
Stocks, beginning:										
Fresh apples (mil. lb.)	³ 2,249.0	³ 2,624.5	³ 2,789.6	1,586.8	9.3	1,824.9	3,859.4	3,376.0	2,207.8	1,586.8
Fresh pears (mil. lb.)	³ 211.6	³ 195.3	³ 157.6	78.2	91.8	426.2	251.9	213.8	106.8	78.2
Frozen fruit (mil. lb.)	³ 538.9	³ 517.9	³ 557.2	465.2	524.3	535.3	621.0	584.1	511.0	450.0
Frozen fruit juices (mil. lb.)	³ 844.1	³ 714.0	³ 733.1	1,255.5	1,141.7	898.5	755.3	652.8	1,044.2	1,277.8

¹ Red Delicious, Washington extra fancy, carton tray pack, 80-125's. ² D'Anjou pears, Washington wrapped, U.S. No. 1, 90-135's. ³ Stocks as of January 1 of year listed. n.a. = not available.

Cotton:

	Marketing year ¹			1979					1980	
	1976/77	1977/78	1978/79	Feb	Sept	Oct	Nov	Dec	Jan	Feb
U.S. price, SLM, 1-1/16 in. (cts./lb.) ²	70.9	52.7	61.6	60.6	62.2	62.9	63.4	66.2	72.4	80.7
Northern Europe prices:										
Index (cts./lb.) ³	81.7	70.6	76.1	76.1	78.0	78.0	80.1	82.2	88.7	97.1
U.S., SM 1-1/16 in. (cts./lb.) ⁴	82.4	66.0	76.3	75.3	78.4	78.4	80.7	82.3	89.9	98.1
U.S. mill consumption (thou. bales)	6,674.4	6,462.5	6,434.8	490.2	501.6	654.4	499.5	450.0	624.9	—
Exports (thou. bales)	4,783.6	5,484.1	6,180.2	609.7	451.6	410.9	663.3	945.3	775.0	—

¹ Beginning August 1. ² Average spot market. ³ Liverpool Outlook "A" index; average of five lowest priced of 10 selected growths. ⁴ Memphis territory growths.

Fats and oils.

	Marketing Year ¹			1979					1980	
	1976/77	1977/78	1978/79	Feb	Sept	Oct	Nov	Dec	Jan	Feb
Soybeans:										
Wholesale price, No. 1 yellow, Chicago (\$/bu.)	7.36	6.11	6.75	7.28	7.04	6.52	6.38	6.40	6.22	6.38
Crushings (mil. bu.)	790.2	927.7	1,017.8	81.5	75.9	95.8	101.4	104.4	106.6	100.0
Processing margin (\$/bu.) ²	.19	.29	.36	.32	.84	.74	.76	.75	.43	.25
Exports (mil. bu.)	564.1	723.4	753.0	53.2	41.6	88.9	118.1	78.3	86.4	73.0
Soybean oil:										
Wholesale price, crude, Decatur (cts./lb.)	23.9	23.8	27.4	27.3	29.9	27.9	27.8	26.2	23.6	23.4
Production (mil. lb.)	8,577.9	10,291.4	11,323.0	902.3	848.9	1,020.3	1,067.9	1,102.0	1,115.3	1,064.7
Domestic disappearance (mil. lb.)	7,454.4	8,192.4	894.2	613.8	710.9	841.9	796.7	714.6	809.7	—
Exports (mil. lb.)	1,547.5	2,137.1	2,334.0	277.9	177.4	136.4	221.6	264.8	186.0	—
Stocks, beginning (mil. lb.)	1,250.6	766.6	771.0	932.2	815.1	775.8	817.8	867.3	1,030.1	1,157.9
Soybean meal:										
Wholesale price, 44% protein, Decatur (\$/ton)	199.80	161.87	190.10	190.90	188.60	181.40	183.10	188.00	180.20	174.25
Production (thou. ton)	18,488.1	22,398.9	24,354.0	1,954.8	1,821.7	2,285.8	2,433.3	2,506.1	2,555.1	2,399.5
Domestic disappearance (thou. ton)	14,000.8	16,287.2	1,772.0	1,436.4	1,349.0	1,805.2	1,920.3	1,703.4	1,804.7	—
Exports (thou. ton)	4,559.2	7,542.7	6,610	535.6	379.0	513.7	552.1	757.4	806.6	—
Stocks, beginning (thou. ton)	354.9	228.3	243	242.2	173.7	267.4	234.3	195.2	240.5	184.3
Margarine, wholesale price, Chicago (cts./lb.)	31.4	39.1	43.5	49.7	52.5	51.0	49.9	51.2	52.0	52.0

¹ Beginning September 1 for soybeans; October 1 for soy meal and oil; calendar year 1974, 1975, and 1976 for margarine. ² Spot basis, Illinois shipping points.

Sugar:

	Annual			1979					1980	
	1977	1978	1979	Feb	Sept	Oct	Nov	Dec	Jan	Feb
U.S. raw sugar price, N.Y. (cts./lb.) ¹	⁴ 10.99	—	—	—	15.72	15.93	16.29	18.30	19.66	24.69
U.S. deliveries (thou. short tons) ^{2 3}	11,207	10,849	⁵ 10,717	771	856	921	874	⁵ 840	⁵ 833	⁵ 810

¹ Spot price reported by N.Y. Coffee and Sugar Exchange. Reporting resumed in mid August 1979 after being suspended November 3, 1977. ² Raw value. ³ Excludes Hawaii. ⁴ Ten month average. ⁵ Preliminary.

Tobacco:

	Annual			1979					1980	
	1977	1978	1979	Feb	Sept	Oct	Nov	Dec	Jan	Feb
Prices at auctions:										
Flue-cured (cts./lb.) ¹	117.6	135.0	140.1	—	144.9	138.2	121.9	—	—	—
Burley (cts./lb.) ¹	120.0	131.3	145.2	126.0	—	—	144.4	147.7	143.9	139.0
Domestic consumption²										
Cigarettes (bil.)	592.0	614.2	613.8	48.6	³ 49.7	³ 56.4	³ 49.5	40.0	n.a.	n.a.
Large cigars (mil.)	4,961	4,701	4,297	336.9	351.9	408.1	349.8	300.5	n.a.	n.a.

¹ Crop year July-June for flue-cured, October-September for burley. ² Taxable removals. ³ Subject to revision. n.a. Not available.

Coffee:

	Annual			1979					1980	
	1977	1978	1979	Feb	Sept	Oct	Nov	Dec p	Jan p	Feb p
Composite green price, N.Y. (cts./lb.)	256.38	162.32	174.27	130.61	204.58	202.62	200.20	196.67	184.11	178.01
Imports, green bean equivalent (mil. lb.) ¹	1,974	2,448	2,656	186	227	172	219	263	*282	220
	Annual			1978			1979			1980
	1977	1978	1979	Jul-Sep	Oct-Dec	Jan-Mar	Apr-June	Jul-Sep p	*Oct-Dec p	Jan-Mar
Roastings (mil. lb.) ²	1,892	2,156	2,249	500	595	619	569	497	*564	*600

¹ Green and processed coffee. ² Instant soluble and roasted coffee. p Preliminary. * Forecast.

General Economic Data

Gross national product and related data

	Annual			1978				1979			
	1977	1978	1979p	I	II	III	IV	I	II	III	IVp
\$ Bil. (Quarterly data seasonally adjusted at annual rates)											
Gross national product ¹	1,899.5	2,127.6	2,368.8	2,011.3	2,104.2	2,159.6	2,235.2	2,292.1	2,329.8	2,396.5	2,456.9
Personal consumption expenditures	1,210.0	1,350.8	1,509.8	1,287.2	1,331.2	1,369.3	1,415.4	1,454.2	1,475.9	1,528.6	1,580.4
Durable goods	178.8	200.3	213.0	185.3	200.3	203.5	212.1	213.8	208.7	213.4	216.2
Nondurable goods	481.3	530.6	596.9	505.9	521.8	536.7	558.1	571.1	581.2	604.7	630.7
Clothing and shoes	82.4	91.2	99.2	85.4	89.9	92.7	96.8	95.5	96.9	101.0	103.6
Food and beverages	246.7	271.7	301.9	260.6	267.7	274.5	283.9	292.9	296.7	303.1	315.6
Services	549.8	619.8	699.8	596.0	609.1	629.1	645.1	689.3	686.0	710.6	733.5
Gross private domestic investment	303.3	351.5	387.2	327.0	352.3	356.2	370.5	373.8	395.4	392.3	387.2
Fixed investment	281.3	329.1	369.0	304.1	326.5	336.1	349.8	354.6	361.9	377.8	381.7
Nonresidential	189.4	221.1	254.9	203.7	218.8	225.9	236.1	243.4	249.1	261.8	265.2
Residential	91.9	108.0	114.1	100.5	107.7	110.2	113.7	111.2	112.9	116.0	116.4
Change in business inventories	21.9	22.3	18.2	22.8	25.8	20.0	20.6	19.1	33.4	14.5	5.6
Net exports of goods and services	-8.9	-10.3	-4.6	-22.2	-7.6	-6.8	-4.5	4.0	-8.1	-2.3	-11.9
Exports	175.9	207.2	257.5	184.4	205.7	213.8	224.9	238.5	243.7	267.3	280.4
Imports	185.8	217.5	262.1	206.6	213.3	220.6	229.4	234.4	251.9	269.5	292.4
Government purchases of goods and services	396.2	435.6	476.4	419.4	428.3	440.9	453.8	460.1	466.6	477.8	501.2
Federal	144.4	152.6	166.6	150.9	148.2	152.3	159.0	163.6	161.7	162.9	178.4
State and local	251.8	283.0	309.8	268.5	280.1	288.6	294.8	296.5	304.9	314.9	322.8
1972 \$ Bil. (Quarterly data seasonally adjusted at annual rates)											
Gross national product	1,340.5	1,399.2	1,431.6	1,367.8	1,395.2	1,407.3	1,426.6	1,430.6	1,422.3	1,433.3	1,440.3
Personal consumption expenditures	861.7	900.8	924.5	882.7	894.8	905.3	920.3	921.8	915.0	925.9	935.4
Durable goods	138.2	146.7	147.1	139.3	147.8	147.5	152.1	150.2	144.8	146.9	146.7
Nondurable goods	332.7	343.3	349.1	337.3	339.4	344.7	351.9	348.1	344.1	349.2	355.1
Clothing and shoes	67.4	72.7	76.5	68.9	71.5	73.8	76.4	75.0	75.0	77.6	78.5
Food and beverages	166.5	167.1	168.8	167.8	165.5	166.6	168.6	167.2	166.6	169.3	172.3
Services	390.8	410.8	428.3	406.1	407.6	413.1	416.3	423.5	426.1	429.9	433.6
Gross private domestic investment	200.1	214.3	215.2	209.0	216.8	214.0	217.4	217.2	221.7	214.2	207.7
Fixed investment	186.9	200.2	205.5	192.5	201.2	201.8	205.5	204.9	203.5	207.1	206.3
Nonresidential	129.3	140.1	148.8	133.1	140.3	141.6	145.5	147.2	146.9	150.7	150.5
Residential	57.7	60.1	56.7	59.4	60.9	60.2	60.0	57.7	56.7	56.5	55.8
Change in business inventories	13.1	14.1	9.7	16.5	15.6	12.2	12.0	12.3	18.1	7.1	1.4
Net exports of goods and services	10.3	11.0	17.6	5.3	12.3	13.3	12.9	17.0	13.2	20.1	20.1
Exports	98.4	108.9	119.9	100.7	109.2	111.9	113.8	117.0	116.0	122.2	124.3
Imports	88.2	97.9	102.3	95.4	96.9	98.5	101.0	100.0	102.9	102.1	104.1
Government purchases of goods and services	268.5	273.2	274.3	270.7	271.3	274.7	276.0	274.7	272.4	273.1	277.1
Federal	100.6	98.6	99.4	99.9	96.6	98.5	99.3	101.1	98.1	97.4	101.1
State and local	167.9	174.6	174.9	170.9	174.7	176.2	176.6	173.6	174.3	175.6	176.0
New plant and equipment expenditures (\$ bil.)	135.80	153.82	176.37	144.25	150.76	155.41	163.96	165.94	173.48	179.33	186.95
Implicit price deflator for GNP (1972=100)	141.70	152.05	165.46	147.05	150.82	153.45	156.68	160.22	163.81	167.20	170.58
Disposable income (\$ bil.)	1,305.1	1,458.4	1,623.7	1,395.0	1,437.3	1,476.5	1,524.8	1,572.2	1,601.7	1,640.0	1,681.0
Disposable income (1972 \$ bil.)	929.5	972.6	994.8	956.6	966.1	976.2	991.5	996.6	993.0	993.4	996.2
Per capita disposable income (\$)	6,017	6,672	7,367	6,402	6,584	6,749	6,955	7,157	7,275	7,430	7,606
Per capita disposable income (1972 \$)	4,285	4,449	4,512	4,390	4,426	4,462	4,522	4,536	4,510	4,501	4,502
U.S. population, tot. incl. military abroad (mil.)	216.9	218.7	220.6	217.9	218.3	218.8	219.2	219.9	220.4	221.0	221.6
Civilian population (mil.)	214.7	216.6	218.5	215.8	216.2	216.6	217.1	217.9	218.3	218.9	219.5

See footnotes at end of next table.

Selected Monthly indicators

	Annual			1979					1980	
	1977	1978	1979p	Feb.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.p
Monthly data seasonally adjusted except as noted										
Industrial production, total ² (1967=100)	138.2	146.1	152.2	152.0	152.4	152.2	152.1	152.2	152.7	153.0
Manufacturing (1967=100)	138.4	146.8	153.2	153.3	153.5	153.2	153.0	152.6	153.1	153.4
Durable (1967=100)	130.0	139.7	146.3	147.2	145.9	145.7	145.0	144.4	144.6	145.1
Nondurable (1967=100)	150.5	156.9	163.2	162.0	164.6	164.0	164.5	164.5	165.4	165.5
Leading economic indicators ¹ (1967=100)	136.4	141.9	140.3	142.3	140.5	138.6	136.0	135.6	135.2	134.9
Employment ³ (Mil. persons)	90.5	94.4	96.9	96.5	97.5	97.5	97.6	97.9	97.8	98.0
Unemployment rate ³ (%)	7.0	6.0	5.8	5.7	5.8	5.9	5.8	5.9	6.2	6.0
Personal income ¹ (\$bil. annual rate)	1,531.6	1,717.4	1,924.2	1,851.4	1,960.1	1,981.2	2,005.5	2,028.3	2,045.0	2,051.9p
Hourly earnings in manufacturing ⁵ (\$)	5.67	6.17	6.69	6.52	6.80	6.82	6.86	6.97	6.95p	6.98p
Money stock (daily average) ³ (\$bil.)	7328.4	7351.6	7371.5	350.0	367.5	368.0	369.6	371.5	372.6p	376.3p
Time and savings deposits (daily average) ³ (\$bil.)	7522.5	7582.4	7623.1	588.7	609.8	616.6	622.3	623.1	627.5p	633.7p
Three-month Treasury bill rate ² (%)	5.265	7.221	10.041	9.265	10.182	11.472	11.868	12.071	12.036	12.814
Aaa corporate bond yield (Moody's) ⁶ (%)	8.02	8.73	9.63	9.26	9.44	10.13	10.76	10.74	11.09	12.38
Interest rate on new home mortgages ⁶ (%)	9.01	9.54	10.8	10.20	11.02	11.21	11.37	11.64	11.87	11.93
Housing starts, private (including farm) (thou.)	1,987.1	2,020.3	1,743.6	1,469	1,874	1,710	1,522	1,548	1,424	1,334
Auto sales at retail, total ¹ (mil.)	11.2	11.3	10.7	11.4	10.8	9.4	9.6	10.5	11.6	10.5
Business sales, total ¹ (\$bil.)	225.1	254.2	288.3	275.1	296.4	298.6	299.0	302.5p	311.8	—
Business inventories, total ¹ (\$bil.)	337.8	379.4	408.7	389.1	419.2	423.6	426.6	427.4p	431.3	—
Sales of all retail stores (\$bil.) ¹⁰	60.3	66.6	73.7	71.1	76.7	75.6	76.4	77.0	79.5p	79.0p
Durable goods stores (\$bil.)	20.7	23.2	25.3	25.0	26.9	25.5	25.3	25.8	27.0p	26.7p
Nondurable goods stores (\$bil.)	39.1	43.4	48.4	46.1	49.9	50.1	51.2	51.2	52.5p	52.3p
Food stores (\$bil.)	13.2	14.5	16.2	15.6	16.7	16.7	16.9	17.2	17.3p	17.2p
Eating and drinking places (\$bil.)	5.3	5.8	6.3	6.3	6.4	6.5	6.7	6.8	7.0p	6.8p
Apparel and accessory stores (\$bil.)	2.9	3.1	3.5	3.2	3.5	3.5	3.5	3.5	3.7p	3.6p

¹ Department of Commerce. ² Board of Governors of the Federal Reserve System. ³ Data changed to reflect new Federal Reserve definitions. ⁴ Composite index of 12 leading indicators. ⁵ Department of Labor, Bureau of Labor Statistics. ⁶ Not seasonally adjusted. ⁷ December of the year listed. ⁸ Moody's Investors Service. ⁹ Federal Home Loan Bank Board. ¹⁰ Adjusted for seasonal variations, holidays, and trading day differences. p. Preliminary.

U.S. Agricultural Trade

Prices of principal U.S. agricultural trade products

	Annual			1979					1980	
	1977	1978	1979	Feb	Sept	Oct	Nov	Dec	Jan	Feb
Export commodities:										
Wheat, f.o.b. vessel, Gulf ports (\$/bu.)	2.85	3.56	4.45	3.93	4.86	4.97	4.97	5.01	4.87	4.79
Corn, f.o.b. vessel, Gulf ports (\$/bu.)	2.49	2.66	3.01	2.78	3.06	3.15	3.07	3.07	2.85	2.97
Grain sorghum, f.o.b. vessel, Gulf ports (\$/bu.)	2.30	2.48	2.85	2.55	2.91	3.07	3.10	3.15	3.03	3.11
Soybeans, f.o.b. vessel, Gulf ports (\$/bu.)	7.38	7.04	7.59	7.77	7.79	6.94	6.95	6.91	6.76	6.80
Soybean oil, Decatur (cts./lb.)	23.69	25.79	27.59	27.30	29.89	27.35	27.57	26.26	23.58	23.22
Soybean meal, Decatur (\$/ton)	192.17	170.71	191.08	190.90	188.60	—	—	—	—	—
Cotton, 10 market avg. spot (cts./lb.)	60.48	58.31	61.81	60.59	62.15	62.88	63.40	66.20	72.40	80.18
Tobacco, avg. price of auction (cts./lb.)	114.24	121.88	132.15	129.20	136.40	131.40	137.80	138.90	137.89	136.62
Rice, f.o.b. mlti, Houston (\$/cwt.)	16.96	20.61	20.25	16.60	21.25	22.30	22.12	21.10	20.10	22.2
Inedible tallow, Chicago (cts./lb.)	17.13	19.74	23.45	22.70	24.56	22.14	19.46	19.92	—	—
Import commodities:										
Coffee, N.Y. spot (cts./lb.)	2.41	1.66	1.74	1.28	2.09	2.08	2.06	2.02	2.00	1.94
Sugar, N.Y. spot (cts./lb.)	10.99	13.92	15.61	15.31	15.72	16.93	16.29	18.30	19.66	24.69
Cow meat, f.o.b. port of entry (cts./lb.)	68.42	97.17	130.98	133.22	130.94	129.70	136.60	142.06	136.36	134.55
Rubber, N.Y. spot (cts./lb.)	41.59	50.19	64.57	57.59	65.39	67.94	66.40	68.00	75.04	83.25
Cocoa beans, N.Y. (\$/lb.)	1.72	1.53	1.44	1.56	1.41	1.35	1.31	1.39	1.39	1.42
Bananas, f.o.b. port of entry (\$/40-lb. box)	5.01	5.20	5.91	5.63	5.48	5.58	5.66	6.19	7.29	6.75
Canned Danish ham, ex-warehouse N.Y. (\$/lb.)	1.85	2.02	2.01	2.09	1.90	1.90	1.94	1.95	2.01	2.09

n.a. not available.

U.S. agricultural exports

	October-January				January			
	1978/79	1979/80	1978/79	1979/80	1979	1980	1979	1980
	Thou. units		\$ Thou.		Thou. units		\$ Thou.	
Animals, live, excluding poultry	—	—	59,548	60,544	—	—	9,633	13,395
Meat and preps., excluding poultry (mt)	137	132	273,799	290,047	29	30	59,017	66,518
Dairy products, excluding eggs	—	—	33,530	47,650	—	—	7,488	12,698
Poultry and poultry products	—	—	122,128	164,905	—	—	29,229	31,030
Grains and preparations	—	—	3,516,169	5,836,601	—	—	758,089	1,285,616
Wheat and wheat flour (mt)	10,197	12,667	1,403,319	2,265,986	1,943	2,300	274,349	420,911
Rice, milled (mt)	852	915	314,818	326,129	164	288	59,939	101,242
Feed grains, excluding products (mt)	16,679	25,070	1,723,573	3,144,943	3,825	5,856	406,431	741,668
Other	—	—	74,459	99,543	—	—	17,370	21,795
Fruits, nuts, and preparations	—	—	510,786	790,828	—	—	105,839	165,594
Vegetables and preparations	—	—	264,054	286,884	—	—	62,445	77,901
Sugar & preps., including honey	—	—	22,074	36,807	—	—	5,881	14,206
Coffee, tea, cocoa, spices, etc. (mt)	25	23	75,338	64,641	6	4	19,196	14,501
Feeds and fodders	—	—	695,283	909,963	—	—	185,891	273,071
Protein meal (mt)	2,254	2,533	485,264	591,351	619	746	132,520	175,161
Beverages, excl. distilled alcohol (hl)	10,677	13,800	4,259	6,045	1,946	2,529	869	1,094
Tobacco, unmanufactured (mt)	138	105	634,411	511,671	16	13	78,630	63,963
Hides, skins, and furskins	—	—	379,482	431,898	—	—	126,915	149,653
Oilseeds	—	—	2,685,074	2,930,908	—	—	572,614	621,007
Soybeans (mt)	9,165	10,099	2,339,401	2,645,266	2,095	2,335	556,969	606,247
Wool, unmanufactured (mt)	1	1	11,478	12,382	1	1	2,096	2,087
Cotton, unmanufactured (mt)	388	628	529,992	914,759	124	174	176,117	257,321
Fats, oils, and greases (mt)	446	466	226,834	254,723	111	98	58	51
Vegetable oils and waxes (mt)	476	516	321,006	380,177	143	125	93,978	90,753
Rubber and allied gums (mt)	6	4	6,046	6,045	1	1	978	1,599
Other	—	—	263,968	312,741	—	—	136,944	134,847
Total	—	—	10,635,259	14,250,219	—	—	2,431,907	3,276,905

U.S. agricultural exports by regions

Region ¹	October-January		January		Change	
	1978/79	1979/80	1979	1980	October-January	January
	\$ Mil.				PCT	
Western Europe	3,724	4,607	828	1,232	+24	+49
European Community	2,919	3,495	623	914	+20	+47
Other Western Europe	805	1,112	205	318	+38	+55
Eastern Europe and USSR	588	1,976	197	326	+236	+65
Eastern Europe	342	900	81	167	+163	+107
USSR	246	1,076	116	159	+337	+37
Asia	3,870	4,481	949	1,048	+16	+10
West Asia	492	467	115	108	-5	-6
South Asia	188	170	53	47	-10	-11
China, Mainland	389	486	105	96	+25	-9
Japan	1,741	2,006	387	456	+15	+18
Korea	395	493	114	158	+25	+39
Taiwan	311	374	89	54	+20	-39
Other East and Southeast Asia	354	485	86	129	+37	+50
Latin America and Caribbean	1,182	1,644	216	365	+39	+69
Brazil	186	295	17	35	+59	+106
Mexico	382	509	48	124	+33	+158
Caribbean	177	224	51	56	+27	+10
Central America	84	105	20	26	+25	+30
Canada, excluding transshipments	562	549	126	133	-2	+6
Canadian transshipments	193	297	0	0	+54	0
Africa	456	619	100	155	+36	+55
North Africa	222	340	67	99	+53	+48
Other Africa	234	279	33	56	+19	+70
Oceania	61	76	16	16	+25	0
Total ²	10,635	14,250	2,432	3,277	+34	+35

¹ Not adjusted for transshipments. ² Totals may not add due to rounding.

Trade balance

	October-January		January	
	1978/79	1979/80	1979	1980
	\$ Mil.			
Agricultural exports ¹	10,643	11,301	2,432	3,277
Nonagricultural exports ²	41,339	55,284	9,917	12,738
Total exports ²	51,982	66,585	12,349	16,015
Agricultural imports ³	5,345	6,077	1,475	1,669
Nonagricultural imports ⁴	55,971	71,962	14,458	18,506
Total imports ⁴	61,316	78,039	15,933	20,175
Agricultural trade balance	5,298	5,224	957	1,608
Nonagricultural trade balance	-14,632	-16,678	-4,541	-5,768
Total trade balance	-9,334	-11,454	-3,584	-4,160

¹ Domestic exports including Department of Defense shipments (F.A.S. value). ² Domestic and foreign exports including Department of Defense shipments (F.A.S. value). ³ Imports for consumption (Customs value). ⁴ General imports (Customs value).

World Agricultural Production

World supply and utilization of major crops

	1974/75	1975/76	1976/77	1977/78	1978/79	1979/80 ¹
	Mil. units					
Wheat:						
Area (hectare)	219.9	224.9	232.3	225.7	226.4	226.5
Production (metric ton)	357.2	350.2	415.3	382.5	447.3	419.4
Exports (metric ton)	68.4	73.2	68.5	79.7	77.2	86.6
Consumption (metric ton) ²	362.4	351.7	378.2	399.5	424.6	436.7
Ending stocks (metric ton) ³	63.7	62.2	99.3	82.3	105.0	87.7
Coarse grains:						
Area (hectare)	342.4	349.3	350.9	349.3	347.3	350.4
Production (metric ton)	627.9	644.7	702.9	703.9	748.6	731.7
Exports (metric ton)	69.5	84.7	88.0	91.5	97.5	108.6
Consumption (metric ton) ²	632.6	643.6	683.0	694.3	740.2	737.4
Ending stocks (metric ton) ³	55.8	57.0	76.9	86.5	94.9	89.2
Rice, milled:						
Area (hectare)	132.6	147.8	141.4	143.7	144.7	141.3
Production (metric ton)	220.0	250.6	236.2	250.0	259.7	252.8
Exports (metric ton) ⁵	7.3	9.4	10.5	9.4	11.7	11.4
Consumption (metric ton) ²	221.8	243.1	237.3	244.9	255.9	256.7
Ending stocks (metric ton) ³	11.1	18.6	17.5	22.5	26.3	22.4
Total grains:						
Area (hectare)	694.9	722.0	724.6	718.7	718.4	718.2
Production (metric ton)	1,205.1	1,245.5	1,354.4	1,336.4	1,455.6	1,403.9
Exports (metric ton)	145.2	167.3	167.0	180.6	186.4	206.6
Consumption (metric ton) ²	1,216.8	1,238.4	1,298.5	1,338.7	1,420.7	1,430.8
Ending stocks (metric ton) ³	130.6	137.8	193.7	191.3	226.2	199.3
Oilseeds and meals:^{4, 5}						
Production (metric ton)	65.3	73.9	67.4	79.7	84.7	98.7
Trade (metric ton)	27.6	32.5	33.6	38.8	40.6	44.5
Fats and oils:⁵						
Production (metric ton)	46.2	49.7	47.8	52.6	54.8	59.3
Trade (metric ton)	13.8	15.8	16.9	18.4	19.2	20.5
Cotton:						
Area (hectare)	33.4	29.8	30.8	32.7	32.0	32.1
Production (bale)	64.3	54.0	57.4	64.1	59.8	65.3
Exports (bale)	17.4	19.1	17.6	19.2	19.6	21.4
Consumption (bale)	58.7	61.2	60.9	61.1	62.9	64.4
Ending stocks (bale)	30.9	24.0	20.7	24.3	21.5	22.2

¹ Forecast. ² Where stocks data not available (excluding USSR), consumption includes stock changes. ³ Stocks data are based on differing marketing years and do not represent levels at a given date. Data not available for all countries; includes estimated change in USSR grain stocks but not absolute level. ⁴ Soybean meal equivalent.

⁵ Calendar year data. 1975 data corresponds with 1974/75. 1976 data with 1975/76, etc.

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